

OCTOBER 20, 2008

The American Conservative



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Catholic *ATTITUDE*

Have you ever wondered why so much of Catholicism is gutless, anemic, and wimpy these days? Is it because there are so many touchie-feelie types in the priesthood? You know, "Let's all hold hands now and sing 'All Shall Be Well,' and then let's give one another a big hug." It's like being back at some goofball summer camp.

And we get campfire sermonettes with all the substance and nutrition of a marshmallow. Where's the beef? We rarely, if ever, hear anything about the Church's teachings on abortion, contraception, euthanasia, homosexuality, premarital sex, pornography, consumerism, the indissolubility of marriage, just war doctrine, Purgatory, or Hell.

But we *do* hear about the Church's "controversial" teachings from the newspapers and the evening news, which of course put the worst spin on them and never give the rationale for them. Rarely will a priest or religious instructor explain *why* the Church teaches as she does, much less with conviction and passion. How pathetic!

We sit around hearing from fey priests about tolerance and diversity, and how all religions are equally true — but since the various religions teach radically different things, that's patent nonsense. Hey, it's time to get rid of those pabulum pushers and replace them with real men.

Are you ready for a Catholicism with backbone? We've got it at the **NEW OXFORD REVIEW**. A robustly traditional Catholic monthly magazine, we don't shy away from the "hard" teachings of Christ and His Bride,

the Church. We know why we're Catholic, and we're not ashamed to tell the world about it.

Our degenerate culture has seduced much of the Church. And many of our Catholic leaders play lovey-dovey with the culture, the Culture of Death.

Case in point: Most of our bishops are deathly afraid to bar pro-abortion Catholic politicians from Holy Communion. This is not a matter of politics; it's a matter of saving souls, souls who may well eat and drink unto their own damnation (1 Cor. 11:29). Is it that many of our bishops would rather be popular than save souls?

In the clerical sex scandals, over 80% of the predations involved boys. Homosexuals must be eliminated from the seminary, priesthood, and episcopate. You don't put men with same-sex attractions in an all-male environment.

Pope Felix III said, "Not to oppose error is to approve of it." Silence is *not* golden; it's yellow. We're "thoughtful and often cheeky" (says *Newsweek*), we're "intellectually aggressive"

(says *Hawaii Catholic Herald*), and Karl Keating has called us "Catholicism's intellectual prizefighter."

Among those who've written for us are Walker Percy, Alice von Hildebrand, Piers Paul Read, Anne Barbeau Gardiner, Tom Bethell, and Michael S. Rose (whose book *Goodbye, Good Men* blew the cover off the rot in many of our seminaries).

If you want a militant Catholicism — as in "the Church Militant" — *do* subscribe. But *don't* subscribe if you're a bozo or a sissy, for we hereby forewarn you: Doing so will give you a hissy fit.

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[ECONOMY]

PAYING BAIL

By the time Henry Paulson's bailout package passed the House of Representatives on Oct. 3, the \$700 boondoggle had ballooned to more than \$850 billion. And how did markets react to their rescue? By dropping 157 points the day the Emergency Economic Stabilization Act passed, and another 370 points the following Monday, plunging the Dow well below the psychological benchmark of 10,000.

Even good medicine takes time to work—but the bailout is not good. At least, it's not good for restoring the economy to health. It is quite beneficial, however, for the bottom line of some well-connected financial firms, many of which are already seeing real gains. Treasury wasted no time in lining up private contractors to dole out the nearly \$1 trillion of taxpayer largesse.

Such haste, as Robert O'Harrow Jr. of the *Washington Post* writes, "means that the government has little time to assess the companies that will be partners in what could become one of the largest public-sector funds in American history. Some of the same firms that have played roles in the rise and collapse of the mortgage-backed securities market may end up guiding the government as the bailout unfolds, [Treasury] department officials said." No surprise, with Goldman Sachs veterans Paulson and Neel Kashkari—point man for the bailout and "The Man With the \$700 Billion Wallet," in the words of the *Wall Street Journal*—in charge.

O'Harrow's piece is eye-opening, citing Taxpayers for Common Sense on what happened when the government relied on such firms during the savings and loan crisis: the result was "untrammeled payouts to the private sector and reprimands from Congress and the Government Accountability Office." An anonymous Treasury official counters,



"Frankly, there is no alternative in this case. This is an emergency act and Congress is expecting us to act quickly."

The Federal Reserve is acting hastily too, cutting interest rates and announcing an unprecedented plan to loan money not only to banks but directly to businesses, making the Fed corporate America's lender of last resort. The Fed's loose-money policies helped ignite the conflagration in the first place, but Bernanke has not learned his lesson.

No wonder, then, that the markets are still falling, and a worldwide recession looms. But these are still boom times for some of Wall Street's best and brightest—in Washington if not in New York.

[WORLD]

DIVIDED WE STAND

"Unity Through Diversity" is the European Union's new official motto. As a slogan, it is utterly nonsensical, but we get the point: different peoples converge happily under the EU's federal umbrella.

Except they don't. Integrity evaporates in a crisis. At an emergency summit in Paris, national leaders announced that Europa would not imitate the U.S. by offering a full bailout package to failing financial institutions. They vowed to work in harmony to stop the meltdown.

Within hours, however, several countries completely undermined the agreement by offering extensive guarantees to their domestic banks. Recession-wracked Ireland led the way, followed swiftly by Greece, then Germany—no longer, it seems, the leading voice of EU cometogetherness—Austria, and Denmark. As the pols contradicted themselves and each other, markets plummeted. The stock exchanges of Paris and Amsterdam dropped 9 percent in one day, their sharpest dip since 1987.

Suddenly, it was every state for itself. Iceland, a member of the European Economic Area but not the union, found itself facing financial doom with no support from its continental allies, so turned instead to Russia for a \$4 billion loan. British Prime Minister Gordon Brown, meanwhile, promised to sue Iceland over wiped out savings deposits held by UK citizens. So much for unity: disarray through disaster is the *leitmotif du jour*.

[POLITICS]

CHAIRMEN OF THE BORED

The Politico called it the worst debate ever—with good reason. The second showdown between John McCain and Barack Obama produced no memo-

rable laugh lines or game-changing gaffes. The war hero showed no fight. The candidate of change was colorless. But the substance was even worse than the style.

Each candidate promised things he could never deliver. Of the federal budget Obama told the audience, "I'm cutting more than I'm spending." McCain said he "would order the secretary of the Treasury to immediately buy up the bad home loan mortgages in America and renegotiate. ... Is it expensive? Yes." No kidding. Instead of a policy adviser, under McCain, Paulson's successor will be the go-between for millions of overextended homeowners and their banks. So much for the party of limited government.

Obama scored the only hit of the night. When McCain implied that his opponent was irresponsibly announcing too many of his foreign-policy views to America's enemies (and citizens), Obama replayed McCain's greatest townhall hit: "Bomb, Bomb Iran." Thereafter, McCain lamely invoked his opposition to intervention in Lebanon, proving that he opposed a small disaster in the Middle East before he supported the big one. McCain also pledged to include Georgia in NATO—an arrangement that would have precipitated war between Russia and the U.S. had it existed two months ago. Instead of drawing distinctions between himself and the latest Georgian, Obama said, "for the most part I agree with Senator McCain on many of the steps that have to be taken."

The commentariat pronounced itself bored. But only after the Bush years could the prospect of more war seem run-of-the-mill. And the public, inured to federal overreach, simply yawned at the promise of government-managed mortgages. Though neither candidate drew out anger in his opponent, the dullest debate ever offered plenty of outrages.

[ELECTION]

ENDANGERED ELEPHANTS

It's too soon to paint the town blue, but Republican numbers seem to be headed the way of the stock market. As we go to press, whatever boost Sarah Palin gave the GOP ticket has been wiped out by the economic crisis. McCain consistently lags in national polls and can count on just 143 electoral votes. Obama can bank 221, putting him well within striking distance of the magic 270. (Intrade sets the odds at 76-24 in Obama's favor.)

Even the prospects for divided government look grim. Democrats should comfortably hold on to their Senate majority and could well gain the 60 seats required to block a filibuster. At a recent press conference, Democratic Senatorial Campaign Committee chair Chuck Schumer said that his party is leading in 12 races for Republican-held seats. They need victories in just nine. Asked to handicap his odds, Schumer replied, "They're better than they were two weeks ago." Democratic challengers have recently pulled ahead in North Carolina and Oregon.

In the House, with more seats currently held by Republicans in the toss-up category—12 to the Democrats' five—Nancy Pelosi's grip on the gavel seems secure.

We hoped that two years in the Congressional minority would chasten the GOP. But it seems as committed as ever to the course that ruined George W. Bush. McCain, the *Weekly Standard's* candidate in 2000, never met a war he didn't like. And he seems more fixated on earmarks—a minor part of the massive budget—than serious fiscal reform. Asked what constraints the meltdown would put on her party's many promises, his running mate didn't name one.

Looks like it's going to be a cold November for conservatives—and a long time until spring. ■

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[bank statement]

Street Sweeping

Getting the American economy back on solid ground will require new financial regulations. Goldman Sachs alums aren't the men for the job.

By Eamonn Fingleton

AS BEWILDERED AMERICANS survey the wreckage of their nation's once vaunted financial system, they could do worse than reacquaint themselves with one of Wall Street's oldest and most revealing parables.

The story goes that an out-of-town customer dropped by to talk to his broker and afterwards was ushered around Lower Manhattan's yacht-filled docks.

"Here is Mr. Morgan's yacht," his guide pointed out. "This is Mr. Bache's, and over there is Mr. Drexel's."

"Where are the customers' yachts?" the visitor naïvely asked.

The story is at least a century old and its punch line long ago figured as the title of a hilarious tell-all book by a Wall Street insider. But if we substitute executive jets for yachts, the message remains as true today as ever: Wall Street is run for the benefit of Wall Street.

This goes a long way toward explaining the origins of the current crisis. The subprime bubble was pumped up by a massive blast of "don't worry, be happy" sales talk. Powerfully incentivized salespeople who pushed so much toxic debt on to unwitting investors were making far too much money in the short run to worry about

the long-term havoc they were creating for everyone else, not least stockholders in their own firms.

The parable also illuminates the mindset guiding the bailout effort. Both Treasury Secretary Henry Paulson and his key adviser, Neel Kashkari, formerly held top jobs at Goldman Sachs, and it seems clear that their highly controversial and, to economic historians, bafflingly unorthodox bailout plan serves Wall Street's interests—particularly those of their former employer—far more than the American public's.

The amazing aptitude of Wall Street insiders to feather their own nests at the taxpayers' expense should be a crucial concern as legislators try to craft a stable and productive future for the American financial system. A key question is how Wall Street's greed can be reined in. In truth, there is no substitute for regulation.

This isn't a view that will find immediate favor with conservative readers. But it is being espoused by no less a plutocrat than Michael Bloomberg, the former Wall Street insider who has recently morphed into a budget-cutting mayor of New York. More significantly, it has been vociferously championed by Paul Craig Roberts, the chief architect of President Ronald Reagan's economic program.

Before we consider in detail the case for a return to regulation, let's first understand how we have come to this pass.

Think of it this way: there is a hierarchy of lenders and sublenders that begins with, say, a saver in Germany who puts money on deposit in a Berlin bank. This deposit, along with countless others, is used to buy highly complex U.S. mortgage-backed securities peddled by an American investment banker in Frankfurt. These securities are a claim on thousands of mortgages advanced to homeowners in the United States by various American mortgage lenders. In an ideal world, all the American borrowers remain happily solvent and make their repayments on time. Out of these repayments the German bank will receive a regular flow of interest followed eventually by the return of its capital—after various middlemen have taken juicy cuts, not least the American investment banker, who has already taken a nice commission upfront.

As long as home prices continue to rise, the system works. That's the theory. But in reality, a natural real estate correction—along with rampant corruption—combined to produce devastating effects.

In the search for someone to blame, predatory lenders are obvious culprits. As the subprime mortgage industry

grew, so did the tendency to seek out weak borrowers, particularly elderly people with valuable homes but little income. In one case reported to the Senate Special Committee on Aging, an elderly couple living on Social Security in Brooklyn was sucked into a financial quagmire after a salesman promised he could have their windows repaired for payments of \$43 a month over 15 years—a grand total of less than \$8,000. Six years later, they had paid tens of thousands of dollars in fees, accumulated \$88,000 in new debt, and been served with foreclosure papers.

Situations like this meant fat income for the predatory lender, with the added bonus of exorbitant rake-offs when he foreclosed on the unfortunate borrower. The whole plot was funded by an expected rise in home values.

And for a time, prices soared—124 percent between 1997 and 2006. Lured by teaser rates and convinced that they could either refinance later or flip for big

Act and the Community Reinvestment Act facilitated risky lending. The Federal Reserve contributed to the problem as well. “The Fed’s loose money policies under Alan Greenspan encouraged the technology bubble” of the 1990s, notes sociology professor Walden Bello, a leading critic of globalization. “When it collapsed, Greenspan, to try to counter a long recession, cut the prime rate to a 45-year low of one percent in June 2003 and kept it there for over a year. This had the effect of encouraging another bubble—in real estate.”

Finally the bubble burst, as bubbles always do, and it’s been a rough ride back to reality. Last year, 1.3 million properties went into foreclosure, 43 percent of them funded by subprime loans. Borrowers had taken out mortgages representing nearly 100 percent of their homes’ value. In a rapidly depreciating market, these mortgages went deeply underwater, and now the whole scheme has come to a halt.

New York Times columnist Paul Krugman, have pointed out, this inherently opaque process will open the door to all sorts of mischief. It is easy to imagine perfectly solvent institutions sticking the U.S. taxpayer with dud loans at hugely inflated prices.

To say the least, this is not how financial bailouts are generally structured. The traditional practice—not just in the United States but around the world—has been to steer clear of buying a stricken bank’s assets and instead to operate on the other side of the balance sheet by buying its “paper.” That is, to buy either newly issued bonds or stocks. In the 1930s, for instance, the federal government bought large amounts of preferred stock issued by insolvent banks. That meant not only that it received good dividends while work-outs proceeded, but ranked ahead of ordinary stockholders in the event of a bankruptcy. Such an approach leaves to individual banks the question of how they should deal with their underwater loans—a policy congruent with the best traditions of market freedom. It is not only inherently elegant and transparent, but positions the taxpayer to profit if, as frequently happens, a financial institution shakes off its problems faster than expected. In the 1930s, this approach proved a resounding success not only in restoring stability but in eventually generating large profits for the federal government.

But that isn’t Paulson’s approach. Perhaps the most startling aspect of his strategy is that the Treasury secretary seems determined to marginalize the Federal Deposit Insurance Corporation. Yet as economic analyst Pat Choate points out, the FDIC is purpose-built to handle rescues of this sort. Not only does it enjoy enormous institutional memory from past rescues—not least mopping up after countless savings and

THE TRADITIONAL PRACTICE—NOT JUST IN THE UNITED STATES BUT AROUND THE WORLD—HAS BEEN TO **STEER CLEAR OF BUYING A STRICKEN BANK’S ASSETS** AND INSTEAD TO **OPERATE ON THE OTHER SIDE OF THE BALANCE SHEET** BY BUYING ITS “PAPER.”

gains, average Americans got in the game. As of March 2007, the value of subprimes was estimated at \$1.3 trillion of the \$12 trillion total U.S. mortgage market—a significant proportion, to be sure. But not all lenders were trawling for defaults; money was cheap and the market was hot.

Far from putting on the brakes, government revved the engine. President Bush advanced his notion of the “ownership society” as integral to national identity: “the idea of people owning a home is part of the American Dream.” Legislation like the Home Mortgage Disclosure

Hence the calls from almost all quarters, even some of the most unexpected, for new regulation and intervention in the economy. But not every emergency measure that has been put forward is sound. Indeed, the policies advocated by President Bush and his Treasury secretary may only lead to further problems.

Henry Paulson’s strategy seems not so much strange as perverse. His intention is to buy stricken institutions’ bad loans on a highly cumbersome case-by-case basis. As many observers, not least Washington economist Dean Baker and

loan collapses in the 1980s—but it has a staff of 4,000 to mobilize at a moment's notice.

The FDIC's potential to play a pivotal role has been underlined by William Isaac, who chaired the institution between 1981 and 1985. On his figures, the FDIC's handling of the savings and loan bailout proved so effective that the net cost to taxpayers was reduced to a mere \$2 billion from an original estimate of \$100 billion.

The FDIC's cause has been espoused by one of the House conservatives who opposed the Paulson bailout plan, John Shadegg (son of Steve Shadegg, who organized the Draft Goldwater campaign of 1964), as well as by such Democratic Paulson-bashers as Reps. Marcy Kaptur, Peter DeFazio, and Donna Edwards.

Why has Paulson been so determined to stand-down the FDIC? Choate, author of *Dangerous Business*, a devastating new book on the downside of globalism,

doing so after returning to Wall Street. On the other hand, they realize that any overt effort to help foreign fat cats at a time of severe strain for millions of ordinary Americans would mean pouring tanker-loads of gasoline on an already white-hot political inferno. Given that foreign indebtedness is rightly associated with America's ever worsening trade imbalances—and by extension with American industrial decline—it is hardly viewed kindly in the heartland.

Paulson's wiggle room is further constrained by the fact that he is known to be close to the Chinese establishment. He has palled around with former Chinese president Jiang Zemin—they even worked together on an environmental project. He holds a highly symbolic sinecure at Tsinghua, one of China's top universities.

If a conflicted Paulson is motivated to hide how much of the \$700 billion fund is destined for foreign creditors, his orig-

Although the insurer's rescue was conducted by the Federal Reserve Board, not the Treasury, Paulson's views were probably not immaterial to the outcome. Moreover, Lloyd Blankfein, Paulson's successor at Goldman, was reportedly in the room as the AIG bailout was negotiated.

Under the circumstances, it is hard to see why Paulson did not long ago resign as Treasury chief. Even if he had not suffered so clearly from conflicts of interest, his failure to take timely action long ago was itself sufficient reason for him to fall on his sword. After all, it was not as if the crisis came as a complete surprise. As far back as 2002, the inflating bubble was presciently identified by Dean Baker, as well as by Warren Buffett. Yale economist Robert Shiller and financier Jim Rogers were among others who saw the disaster coming, and the Basel-based Bank of International Settlements gave Paulson a particularly blunt warning in the summer of 2007.

Paulson's tough-it-out demeanor seems in character, however, when viewed in the context of the Bush administration's appalling record on predatory lending. In the face of strong pressure from state attorneys general and other officials in 49 states in the first half of this decade, the administration chose not just to sweep shocking evidence under the carpet but actively took the predators' side against their critics. The scandal was highlighted in a Feb. 14 op-ed by Eliot Spitzer, who charged that America's financial markets would be "threatened" if predatory lending was left unchecked. (In the view of many observers, it was not a coincidence that less than a month later federal investigators leaked evidence of a sex scandal that forced the New York governor's resignation.)

The Bush administration aside, almost everyone else in the American policymaking and intellectual establish-

PAULSON'S TOUGH-IT-OUT DEMEANOR SEEMS IN CHARACTER, HOWEVER, WHEN VIEWED IN THE CONTEXT OF THE BUSH ADMINISTRATION'S APPALLING RECORD ON PREDATORY LENDING.

offers a telling explanation: although the FDIC enjoys full powers to address the problems of American creditors, foreign creditors are a different matter. In previous financial bailouts this mattered little, as foreign capital played a minimal role. Things are different now.

The hugely increased role of foreign capital catches Paulson and his lieutenant Neel Kashkari on the horns of a terrible dilemma. On the one hand, as true Wall Streeters, they are probably inclined to curry favor with their many foreign financial friends. They have made big money from such connections in the past and no doubt look forward to

inal "zero-accountability" bailout plan was perfect for the task. The revised version does incorporate an element of accountability, but, as Choate points out, plenty of loopholes exist to end-run any real disclosure.

Another notable example of Paulson's conflicts concerns the rescue of American International Group. As reported by Gretchen Morgenson of the *New York Times*, Goldman Sachs was AIG's largest trading partner. An AIG bankruptcy would have blown a hole of perhaps as much as \$20 billion in Goldman's balance sheet—significant even by masters-of-the-universe standards.

ment is coming round to the idea that financial deregulation has gone too far. Finance simply cannot be left to its own notoriously conflicted devices. Not only does it play a central role in any economy—think of it as a central nervous system—but it is an industry in which unique temptations are at work—perverse incentives that, in the absence of wise and effective oversight, constantly foster exploitative practices, instability, and all too often, as is abundantly clear from recent events, outright self-destruction.

Of course, many commentators on the Right condemn regulation as incompatible with conservative tradition. But a glance at history reveals that this is not necessarily the case. The move to regulate finance in Britain, for instance, has been often led by the Tories, who during Robert Peel's term as prime minister passed the Companies Act of 1844 and went on under Harold Macmillan to pass the Prevention of Frauds (Investment) Act in 1958. In the United States, the Sherman Act of 1890, the first U.S. legislation to rein in monopolies, was pushed through by Republican Sen. John Sherman and signed into law by fellow Republican Benjamin Harrison. The McFadden Act of 1927, which curbed the right of banks to do business across state lines, similarly reflected Republican concerns.

True, the Glass-Steagall Act of 1933 was authored by two Democrats, Sen. Carter Glass and Rep. Henry Steagall. But neither was a Naderite radical. These Democrats of the Old South—hailing from Virginia and Alabama respectively—were stout conservatives. Their legislation not only created the FDIC, but built a famous firewall between commercial banks and brokerage houses by banning the former from underwriting securities. This firewall, finally dismantled in 1999, was intended to avoid certain notorious conflicts that

had often left the public shortchanged in the Roaring Twenties.

In this regard it is interesting to reread the American conservative movement's favorite economist, Milton Friedman. It was Friedman more than any other thinker who inspired the rightward shift in American economic thinking that began in the latter half of the 1970s. Few economists have been more often cited by the U.S. banking and brokerage lobby in pressing for ever greater deregulation.

WHILE FRIEDMAN WAS A CRITIC OF REGULATION IN MOST ASPECTS OF THE ECONOMY, HE WAS LARGELY SILENT ON FINANCIAL REGULATION. THE SUBJECT IS NOTABLE FOR ITS ABSENCE FROM HIS INFLUENTIAL 1980 BOOK *FREE TO CHOOSE*.

But while Friedman was an outspoken critic of regulation in most other aspects of the economy, he was largely silent on financial regulation. The subject is notable for its complete absence from his influential 1980 book *Free to Choose*. Writing with his wife Rose, he railed against many other forms of regulation, not least the Interstate Commerce Commission, the Food and Drug Administration, and the Environmental Protection Agency. Yet the book made no mention of the Glass-Steagall Act or the other financial regulations introduced in the 1930s—this despite the fact that banks were already promoting the cause of financial deregulation at the time of the book's publication. This is more remarkable for the fact that Friedman was probably the world's foremost authority on the 1929 Wall Street crash and the Great Depression.

More generally, the evidence of American history strongly suggests that judicious financial regulation can be a powerful force for good. It is surely not an accident that beginning

in the latter half of the 1930s, the United States enjoyed a respite of nearly 50 years in which there was not a single serious banking crisis and no serious stock-market setbacks except those triggered by the oil shocks of the 1970s. This period coincided exactly with America's era of tightest financial regulation. It is notable, moreover, that for most of the period the United States enjoyed a unique combination of fast growth at home and unquestioned economic leadership abroad.

With the exception of a few radically libertarian economists, no one questioned the basic case for regulation. During the Eisenhower years it was taken for granted by Republicans and Democrats alike that though regulatory restraints could be a nuisance at times, the positives overall greatly outweighed the negatives. The same went for the Reagan administration, which, as Paul Craig Roberts recently pointed out, "most certainly did not deregulate the financial system." Roberts went on to name the Clinton and George W. Bush administrations as the instigators of the radical deregulation being widely blamed for the current crisis. (An earlier piece of deregulation was passed during Jimmy Carter's term.)

Prior to the 1930s, American finance had for more than a century been repeatedly shaken to its core by crises that occurred at approximately 20-year intervals. The half-century of remarkable banking stability that began in the late '30s was broken only when an oil

Continued on page 26

Crash of the Titans

Merrill Lynch's salvation spelled Lehman Brothers' doom.

By John Carney

IT WAS LATE AT NIGHT, and I was standing in Elaine's on Manhattan's Upper East Side. The saloon was crowded, with the bar almost invisible through the crowd of drinkers, the bartender just a voice and an occasional arm outstretched with a glass of gin, beer, or whiskey. The patrons grew louder as the night wore on.

"Do you know what the most important thing to look for in a place like this is?" Tom asked me as we pushed through the crowd to a small area beyond the nave of the bar.

I told him I didn't know what that would be. He cleared some space by using his elbows to nudge the drinkers on his left and right. After a moment, he was leaning on a stretch of open bar and ordering drinks from the bartender.

"Wood," he said. "In a bar like this the most important thing is to grab a stretch of wood."

Tom is a big man. In his late fifties now, he's tall and suffers from what my father used to call "Dunlap's disease," as in, his belly dun lap over his belt. He holds himself like a man who has accomplished something great. Most of the times we've met, the impression was softened by his warm, friendly smile. But Tom (which is not his real name) wasn't smiling that night at Elaine's.

He made his career at Merrill Lynch, the legendary Wall Street firm that was once the third largest investment bank in the United States. Three weeks earlier, Merrill agreed to sell itself to Bank of America, a huge commercial bank based in Charlotte, North Carolina. It's

not an easy pill to swallow: this man who has spent his life working on Wall Street, first as a floor trader and later as an investment manager, wakes up to discover he now works for a bank with tellers, ATMs, and free iPod Shuffles for customers who open savings accounts.

In some ways, Tom and his fellow Merrill Lynch employees are the lucky ones. Only a few days ago, on the same Sunday afternoon that Merrill Lynch agreed to sell itself for \$50 billion to avert a deepening financial crisis, the fourth largest investment bank, Lehman Brothers, filed for bankruptcy protection and slipped toward liquidation. Surely Merrill's fate was less humbling.

But Tom was inconsolable: "The day they take the letters MER off the ticker at the New York Stock Exchange, they'll take out a piece of my heart."

It would be several weeks before the world learned the truth about what happened to Merrill Lynch and Lehman Brothers. Newspaper reports made vague mention of a "deepening financial crisis," as if human agency played no part in the tumultuous events. It almost sounded as if some vengeful pagan gods had returned from an ancient epic and were throwing down once proud financial titans to teach mankind about the dangers of hubris.

But it wasn't a mythical deity or some kind of metaphorical financial quicksand that brought down Lehman Brothers and Merrill Lynch. They had made themselves vulnerable through what might be called a comedy of errors, if the conse-

quences weren't so grave and expensive. The final acts that toppled them were a pair of phone calls from another bank, J.P. Morgan Chase, Tom told me.

In the days leading up to that weekend in mid-September, both Lehman and Merrill heard from top executives at J.P. Morgan. Those executives explained to their counterparts at Merrill and Lehman that concerns over their firms' financial health had grown. To alleviate those fears, the investment banks were required to put up billions of dollars of additional collateral against debts they owed J.P. Morgan and its clients. Having suffered tens of billions of losses, neither Merrill or Lehman could meet this call for more collateral.

What happened next was even more extraordinary. At the headquarters of the New York Federal Reserve, the surviving Wall Street firms and national banks met to see if Lehman Brothers could be rescued. For much of the weekend it appeared that Bank of America would buy Lehman, according to people who talked to me about the meeting. All at once something changed, however, and Bank of America was no longer interested.

Tom ordered a couple of more beers. Two not-so-young-anymore women stopped by to tell him hello. One told me she was a dental hygienist from Staten Island, but she couldn't name a town on Staten Island. She mentioned the "Staten Island Bridge," which doesn't exist. I got the impression that she works with Tom at Merrill and is worried she'll soon be out of job. She was

trying on new identities, seeing what it would be like to be someone else entirely. When the girls moved on, Tom continued his story.

The collateral call had sparked panic at Merrill. Its top executives were gathered together by its CEO, John Thain, a man who looks a bit like a real-life Clark Kent. One of the executives, Greg Fleming, had a relationship with Ken Lewis, who runs Bank of America. Fleming suggested that Merrill approach Bank of America and propose that they do a deal together. A few phone calls back and forth, and Merrill had agreed to be acquired, pushing Lehman out of the way and into bankruptcy.

The announcement that Merrill was being acquired by Bank of America caught many on Wall Street by surprise. Lehman had been regarded as the critical patient, closest to death. Merrill was regarded as the next troubled bank on the list, but it had jumped the line, securing a wealthy sponsor before it needed to be rescued.

Tom and I stepped outside. I lit a cigarette with the last match in my book. Tom lit his off the tip of mine. He still had more to tell me, but the hour was late. He turned his collar up against the cool October night air and walked toward the curb, an outstretched arm hailing a taxi.

Like many others on Wall Street, Tom is convinced that the old investment banks are beyond recovery and that those financial institutions still standing must be transformed or perish. Most, he tells me as he gets into the taxi, are too accustomed to their ways to reinvent themselves. They are finished.

With that, he shut the door and his cab sped away, down the avenue and into the night. ■

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Fire Sale

How finance, insurance, and real estate lobbyists bought a bailout.

By Kelley Beaucar Vlahos

THERE WAS LITTLE in the federal bailout bill that most Americans could wrap their arms, much less their minds, around. What did strike a chord—and one of the rare notes of consensus—was that greedy executives of failed institutions should have to give up their high salaries and golden parachutes before getting a life raft from Uncle Sam.

But the CEO's needn't be too alarmed. The \$2 billion their industry has invested in Washington politicians over the last 20 years will likely bring healthy returns. Pesky details like "who" and "how much" to penalize were kicked down the road or left wide open for interpretation—nothing a few fat friends on the right committees and a team of crack lobbyists can't handle.

The hard lesson here will be that hard lessons are for chumps who can't afford otherwise.

"The money always pays off," said Melanie Sloan, head of the Center for Reform in Elections in Washington. "It's all about being there, being in the room" when the details take shape behind closed doors on Capitol Hill. "And you're not in the room if you're not making these contributions or having highly-paid lobbyists well placed."

The finance/insurance/real estate (FIRE) sector has given approximately \$180 million to House and Senate candidates in the current election cycle, and \$116 million to presidential candidates, including \$25 million to Barack Obama and \$22 million to John McCain.

According to the Center for Responsive Politics, the FIRE sector is the biggest contributor to federal candidates in Washington. Companies cannot give directly, so they leave it to bundlers to solicit maximum contributions from employees and families. They might have been brought down to earth this year, but they've given like gods: Goldman Sachs, \$4.8 million; Citigroup, \$3.7 million; J.P. Morgan Chase & Co., \$3.6 million; Merrill Lynch, \$2.3 million; Lehman Brothers, \$2.1 million; Bank of America, \$2.1 million.

Some think the long-term effect of such contributions to individual candidates was clear in the roll-call votes for the bailout. Take the controversial first House vote on Sept. 29. According to CRP, the "ayes" had received 53 percent more contributions from FIRE since 1989 than those who voted against the bill, which ultimately failed 228 to 205. The 140 House Democrats who voted for the bill got an average of \$188,572 in this election cycle, while the 65 Republicans backing it got an average of \$185,461 from FIRE—about 23 percent more than the bill's opponents received. A tinkered bill was passed four days later, 263 to 171.

"The lobbying effort on the bailout has been brief but intense. To make up for time they do not have, interest groups have undoubtedly capitalized on relationships they've built over many years. And in Congress, campaign contributions are an essential tool for building relationships," said CRP's Sheila Krumholz.

Americans have come to eschew the excesses of Wall Street, but that doesn't mean that lawmakers—especially presidential candidates—turn away its money. In fact, they are rolling in it.

Half of Obama's top ten contributors, together giving him nearly \$2.2 million, are FIREmen. Of that figure, \$748,000 comes from Goldman Sachs, which recently reincorporated, with the Treasury's blessing, into a bank holding company, hoping to survive. While it looks like Obama relies less on bundlers from this sector than McCain, "his campaign has ignored repeated requests from the Center for Responsive Politics and other watchdog groups to disclose his bundlers' employers and occupations," said CRP, with the \$13 million so far attributed to such bundlers—called "Obamasaurus" by the *New York Observer*—"probably" an undercount.

Meanwhile, McCain's bundlers are guys like Elliott Broidy of Broidy Capital

Management, William Strong of Morgan Stanley, John Thain of Merrill Lynch, and Paul Singer of Elliott Associates, all of whom helped raise at least \$500,000. Called "The Opportunist" by a February *Bloomberg Markets* profile and a "vulture capitalist" by others, Singer's shtick is buying up bankrupt companies and the debt of foreign countries and squeezing money out of them. He was a big fundraiser for Rudy Giuliani.

Giuliani, who raised \$13.5 million from FIRE sources for his failed presidential bid, wasn't shy last month about how the system works: his firm announced a "financial industry task force" of his friends in the business to "guide" institutions, funds, and investors through the "legislative, regulatory and enforcement challenges" posed by the bailout. Democrats called it "crass opportunism," but more realistic observers accepted this as business as usual.

Meanwhile, wary eyes have turned to wizened congressional leaders, with their generous coffers and inability to rein in the industry when it matters most. Sen. Chris Dodd, now chairman of the Senate Banking, Housing and Urban Affairs Committee, was recently dubbed a financial "PAC-Man" by the *New Haven Advocate*. He's gobbled up \$13 million from FIRE since 1989, including \$5.8 million in 2008 for his failed presidential bid. Citigroup led the pack with \$314,000.

Dodd and other Democratic committee leaders—including Sen. Chuck Schumer (\$12 million from FIRE since 1989), Rep. Barney Frank (\$2.5 million), and Rep. Charlie Rangel (\$4 million, the top recipient in the House)—have been accused of taking truckloads of contributions while failing to act on the looming mortgage crisis. Dodd finally pushed mortgage reform last year, said his hometown paper, *The Hartford Courant*, "but by then, the damage was done."

Republicans don't starve. Sens. Arlen Specter, Kay Bailey Hutchison, Richard

Shelby, and Mitch McConnell round out the list of non-presidential candidates with no less than \$4.3 million each from the sector in the last two decades. Invariably, they helped pass the Gramm-Leach-Bliley Act to take down the regulatory firewall between investment and commercial banking activities in 1999, softened some of the blow on the accounting industry in reform efforts like Sarbanes-Oxley in 2005, and assisted the banking and credit card industries by championing the Bankruptcy Abuse Prevention and Consumer Protection Act in 2004.

Much of the criticism directed at Democrats has been over Fannie Mae and Freddie Mac, now in federal receivership. Critics say Democrats incentivized mortgage-lender Fannie Mae and mortgage-investor Freddie Mac to run amuck, leading to a situation in which the government-backed giants owned or guaranteed half of the nation's \$12 trillion mortgage market. When the market went sour, they crashed, bringing a lot of investors down too. The Democrats deny charges of killing GOP legislation in 2004 that would have strengthened oversight of the institutions.

Fannie and Freddie have always spread the wealth around, giving slightly more to the party in power, and Republicans were getting the grease back then. Still, Dodd is the biggest recipient of their campaign donations over the last 20 years, followed by Obama, who has only been in office since 2004.

FIRE money is raging through Washington, but what does it ultimately pay for, when many of these wealthy contributors suddenly find themselves on skid row? Wall Street is calling on its angels—grateful lawmakers with control over bailout-related legislation and billions of dollars to dispense. ■

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Mission to MAR's

JOHN MCCAIN may have just let slip his last best chance to be president of the United States. When he flew back to Washington to address the banking crisis, McCain could have seized the hottest issue in America by taking the side of his countrymen who were enraged by the Paulson plan to bail out a power elite whose greed and stupidity caused a financial disaster unequaled since the crash of '29.

But rather than denounce the Bush-Paulson-Pelosi-Barney Frank plan as a rip-off of taxpayers, lacerate Obama and Co. for bedding down with the kleptocrats of Fannie Mae, and advance his own plan, McCain played the establishment man. He sought modest concessions for the Republican view, urged swift passage and left town.

Working with Democrats rather than battling the establishment has ever been McCain's way. And undeniably, his deserved reputation for bipartisanship helped him to get where he is.

He campaigns proudly on his capacity to work with liberals and has McCain-Feingold, McCain-Lieberman, and McCain-Kennedy to prove it. But as George H.W. Bush and Gerald Ford discovered, the politics of compromise and consensus does not always produce the best result.

The tax hike of 1990 may have destroyed Bush I's presidency, and Ford's nomination of John Paul Stevens to the Supreme Court helped propel the Ronald Reagan challenge.

Philosophically and culturally, we are a divided people. Across the spectrum there are us-versus-them folks who see politics as a zero-sum game between Middle America and a global elite. Below the upper-income brackets and along the center-right are the folks

the late columnist Sam Francis, citing sociologist Donald Warren's 1976 study, called Middle American Radicals.

Nixon brought the "MAR's" to national attention when, as David Broder then wrote, the "breaking of the president" was underway in October 1969. Nixon went on television and called for the Great Silent Majority to stand with him against antiwar demonstrators and rioters in the streets, and for "peace with honor" in Vietnam.

When TV anchors trashed Nixon's speech, he unleashed Spiro Agnew on the establishment media. No White House had ever before attacked the networks or national press for ideological and political bias.

Within a month, Nixon hit 68 percent approval, the apogee of his presidency, and Agnew was the third most admired man in America.

Reagan, by opposing the surrender of the Panama Canal to a leftist dictator, also rallied the MAR's. He lost that battle, but his consolation prize was the GOP nomination and the presidency.

In recent years, we have seen the MAR's rise again and again in roaring rebellion. But invariably, when these rebellions occur, John McCain can be found inside the castle walls.

In 2007, McCain rushed to Washington to support George W. Bush, Ted Kennedy, Bill Clinton, the *Wall Street Journal*, and the *Washington Post* in the drive to grant amnesty to 12 to 20 million illegal aliens. A national firestorm killed the bill and almost killed McCain's campaign.

A year earlier, a MAR's uprising killed the Dubai Ports deal. The power elite was stunned by the explosion of outrage over the leasing of six U.S. ports to Arab sheiks. Nationalism remains a more

potent force than globalism, and not only in America.

In Clinton's first term, McCain stood with the establishment for NAFTA, GATT, the WTO, and the Mexican bailout. Middle America opposed them all.

In the past decade, the MAR's have opposed free-trade deals and lost, but won virtually every referendum on gay marriage, affirmative action, or welfare for illegal aliens. Invariably, the MAR's are portrayed as bigots, nativists, xenophobes, protectionists, and isolationists, and their leaders as demagogues. In McCain's words from 2000, they are "agents of intolerance."

This is fine if you wish to be beloved in Washington, but it may be a fatal impediment if you want to be president.

McCain's problem is that, in 2008, when his old press idolaters have found a new favorite, these are the people who hold his key to the presidency. They are the Democrats who voted against Barack Obama by wide margins in Pennsylvania and Ohio and landslide margins in West Virginia and Kentucky.

These Democrats can still win this race for John McCain. Many admire his war record. But he is not one of them and has taken pride and pleasure in having been their great antagonist.

Could McCain win them back in four weeks? Perhaps. Is he willing to do what is necessary to win them back? Probably not. It would go against his instincts and his image of himself.

The issues that move these folks are not just the \$700 billion bailout of Gordon Gekko's comrades but the invasion of America from Mexico, the export of their jobs, factories, and future to Asia, and the gnawing fear that the country they grew up in is being sacrificed for the benefit of an internationalist elite. ■

Head of State

Is there more to John McCain's rage than just bad temper?
A psychotherapist puts the candidate on the couch.

By Jim Pittaway

HE HAS BEEN CALLED McNasty and Senator Hothead, but John McCain has called his fellow senators far worse. *Newsweek* reported that he “erupted out of the blue” at Budget Committee Chairman Pete Domenici, saying, “only an asshole would put together a budget like this.” He called Sen. Chuck Grassley a “f---ing jerk” and capped a profane tirade during last year’s amnesty debate by screaming “f--- you” at Sen. John Cornyn. Then there was the scuffle on the Senate floor with Strom Thurmond when the South Carolina senator was a less-than-spry 93.

No one is immune from his outbursts. A pair of Arizona physicians, Robin Silver and Bob Witzman, went to meet McCain to discuss their concerns about a telescope project he wanted to fund. “He jumped up and down, screaming obscenities at us for at least 10 minutes,” Silver told *CounterPunch*’s Jeffrey St. Clair. “He shook his fists as if he was going to slug us.”

Even McCain’s family comes under fire. In *The Real McCain*, Cliff Schecter writes:

In his 1992 Senate bid, McCain was joined on the campaign trail by his wife, Cindy. ... At one point, Cindy playfully twirled McCain’s hair and said, ‘You’re getting a little thin up there.’ McCain’s face reddened, and he responded, ‘At least I don’t plaster on the makeup like a trollop, you c---.’

McCain’s excuse was that it had been a long day.

Asked about her husband’s temper on “The View,” Cindy McCain said people mistake his passion for rage. But others are less accommodating. Former Phoenix mayor Paul Johnson has been quoted as saying that McCain is “in the area of being unstable.” Republican senator Bob Smith told the *Washington Post*, “His temper would place this country at risk in international affairs, and the world perhaps in danger. In my mind, it should disqualify him.” During the 2000 campaign, McCain’s hometown newspaper warned of his “volcanic” temper.

This round, the most notable voice questioning the senator’s fitness is conservative George Will, who recently wrote, “For McCain, politics is always operatic, pitting people who agree with him against those who are ‘corrupt’ or ‘betray the public’s trust,’ two categories that seem to be exhaustive—there are no other people. ... It is arguable that McCain, because of his boiling moralism and bottomless reservoir of certitudes, is not suited to the presidency.” Beyond bad manners, Will hints at a dark stream running beneath McCain’s outbursts—impulsive, defiant, unforgiving, narcissistic.

There is something almost medieval about the way McCain cloaks himself in virtue and treats anyone who questions him as unworthy of public trust. His

crusade for campaign-finance reform is a case in point. McCain manipulated the press into bestowing on him the “reformer” mantle and waged a scorched-earth campaign over something relatively superficial, as if it would by itself save America’s troubled democracy. His passion outpaced any perceived benefit. But when McCain gets a notion, he seems to listen only to his inner voices—and staffers and sycophants who echo them. He is always angry at someone, or he is looking for something to be angry about.

McCain’s most devoted supporters hardly disagree—they just think that’s how heroes act. And the candidate himself is dismissive, citing a temperamental streak running through his whole story: “As a young man, I would respond aggressively and sometimes irresponsibly to anyone whom I perceived to have questioned my sense of honor and self-respect.”

But the country faces a more difficult question: Is John McCain’s pattern of volatile behavior simply a matter of style and personality, or is there some underlying cause that makes these well documented traits “driven” and thus dangerous?

Much of the speculation about McCain’s mental status is irresponsible, even defamatory. But there is enough to justify looking through all the smoke to see if his anger is fed by flames he cannot control. Evaluating McCain through this lens makes sense

to me. I have worked for a decade as a psychotherapist in a multidisciplinary rehabilitation program for victims of Traumatic Brain Injury. The question with McCain, as with any other possible TBI patient, is about where personality leaves off and organically driven behaviors, if existent, begin. Are his closed-minded, free-reigning passions for causes like campaign finance reform or, more recently, earmarks evidence of determination, a virtue, or obsessiveness, a fearsome attribute in a president?

As we explore explanations for some of Senator McCain's actions, it is important to bear in mind that any professional who would render a definitive diagnosis on an individual he has not interviewed or tested is prostituting his credentials. But when someone places his life in the hands of voters, it is reasonable to examine behaviors in light of diagnostic criteria. It must be understood that my explanations cannot possibly be certain. That said, I believe it is highly likely that John McCain suffers from Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (PTSD). The question I face as a citizen, and would invite readers to weigh, is one of probability and the degree of risk associated with the level of probability.

One of the great difficulties encountered by many TBI patients is the invisibility of the organic damage and the subtlety of the effects of even moderate brain injury. Indeed, many clinicians who work with TBI have come to view brain damage as a continuum we all fall on—it's just a matter of the relative extent of damage and severity of the symptoms. In our program, we treat many men and women who are high-functioning individuals, but seem just a bit "off." Their peers have to "walk on eggshells" so they don't "set them off" or "get them going." But moderate TBI is

not necessarily a barrier to material success or political power.

There are three signal characteristics of moderate TBI: emotional dysregulation (volatility), perseveration (inability to let go of thoughts and feelings or see them in broader perspective), and concrete thinking (abstractions and nuance are compressed into right or wrong, good or evil, people are either "for me or against me"). The difference between these attributes as personality characteristics or organically driven compulsions is subtle. How far do they deviate from appropriate behaviors, and are they moderated or exacerbated by time and the aging process? Where is the all-important line between emotional control and dysregulation?

Obviously, there are batteries of sophisticated tests, and even diagnostic imaging that can rule TBI in or out, but John McCain has made it clear he will not only not co-operate, he will not abide discussion of anything of this nature. In the absence of his willingness to deal with such matters, we are forced to rely on his public record.

HIS BIOGRAPHY RECORDS **PROTRACTED EPISODES OF VIOLENT ABUSE OF INTENSITY SUFFICIENT TO MAKE IT ALL BUT IMPOSSIBLE FOR HIM TO HAVE ESCAPED WITHOUT DAMAGE TO HIS BRAIN.**

It speaks clearly: John McCain possesses, even trumpets, these characteristics. In addition, his biography records protracted episodes of violent abuse of intensity sufficient to make it all but impossible for him to have escaped without organic—and psychological—damage to his brain. It is sad that any such damage would have been incurred in honorable service to his country, but what is at stake is far too important for these possibilities to be ignored.

Details of John McCain's years as a prisoner of war are spare, and the campaign has not made his intelligence debriefs or his Navy personnel file available. But in a 1973 interview with *U.S. News & World Report*, McCain described the days that led to what he called his "breaking point": "[T]he guards, who were all in the room—about 10 of them—really laid into me. They bounced me from pillar to post, kicking and laughing and scratching. After a few hours of that, ropes were put on me and I sat that night bound with ropes. ... For the next four days, I was beaten every two to three hours by different guards. ... I had been reduced to an animal during this period of beating and torture." (This came after two years in solitary confinement and deprivation so severe his weight dropped to 100 pounds.)

The North Vietnamese kept detailed records of prisoner interrogations, but they have never been released, so it is impossible to know how long McCain was unconscious or how many times he was concussed. He said that after the bout that broke him, "it was one round

of rough treatment after another. Sometimes I got it three or four times a week." He hasn't detailed the sessions but speaks of "repeated, severe treatment."

Even minor concussions, in sequence, can cause major damage to brain tissue. Torturers tend to inflict as much pain as possible on the body, with blows to the head restrained until the victim has reached the limits of endurance, but then he is knocked unconscious so as to recover his faculties in the most disorienting circumstances possible. Accounts

of torture at the hands of the Vietnamese Communists indicate that they tended to rely on physical beatings and psychological torment rather than mechanical or electrical devices. If, as he says, he was broken into submission, in addition to the physical trauma, McCain would have experienced systematic and cruel manipulation of his psyche. It is impossible to experience torture at a level sufficient to cause a highly indoctrinated and motivated professional naval aviator to abandon his beliefs and commitments to his country and, as McCain

itself a revealing, almost Freudian, giveaway of his level of resistance to addressing these issues.

For example, while he was being tortured his hair went white, a physical manifestation of extreme duress, but he accepts no psychological effects. That would be great, if it could be true, and indeed it may be so in some alternate universe. But in the one we inhabit, something that dramatic can only result in major psychological trauma, which has inevitable effects on the human mind. In a clinical setting, McCain's posi-

conceivable purpose beyond demonstrating that they were boss in France. (It turned out they weren't.) Similarly, McCain buys unconditionally into the idea that a diverse world—particularly the Islam-believing, oil-producing component—must recognize that the president of the United States is in charge.

It's one thing to believe something like that. The question is how much violence you are willing to expend in pursuit of such a notion. The Plantagenet answer was simple: we will use all the blood and treasure we can extort from the people we control in pursuit of power over people who resist us. John McCain gives the same answer, without ambiguity or qualification.

From the time of Henry II until very recently, it was assumed that the peculiar Plantagenet temperament was inherited rather than acquired—they were called "Devil's spawn," and their rages and obsessions were Shakespearian in intensity. But insights derived from modern understanding of concussions, coma, strokes, sepsis, and the damage they do to brain tissue—and the effects these incidents have on human emotions and behavior—casts these particular rulers in a very different light.

Coming of age in Plantagenet times involved putting an iron bucket over your head and flailing about with broadswords, clubs, maces, and an assortment of heavy objects in the direction of other young men similarly accessorized, until you or your opponent broke major bones or lost consciousness. Then, with everybody revived—except those who were dead, fractured, or in a coma—the practice was to put the iron bucket back on your head, get on your horse, and charge at each other with maximum velocity until someone was unhorsed, generally landing on his head, which was still encased in that iron bucket.

We know enough about the damage blows can do to heads encased in high-

WHILE HE WAS BEING TORTURED, **HIS HAIR WENT WHITE**, A PHYSICAL MANIFESTATION OF **EXTREME DURESS**, BUT HE ACCEPTS NO **PSYCHOLOGICAL EFFECTS**.

maintains, experience no serious or enduring damage.

Yet he insists that simply disowning what happened to him in Vietnam, apparently through willpower or virtue, means that it had no effect. Clinicians call this "magical thinking." It is not only impossible from a medical standpoint, it is counterintuitive, not to mention illogical from any sensible point of view. What is reasonable on a psychological basis is that the more traumatic the experience, the stronger the denial system that protects it is, and McCain's denial system is well articulated.

Working through traumatic events in a therapeutic context requires confronting and dismantling the denial system in a manner that makes it safe for the psyche to re-experience these events, process them in a healthy manner, and dispose of the horrifying images that rampage through the subconscious to distort mood and compel behavior. But like many who are afflicted with such maladies, both organic and psychological, John McCain, according to a recent *Atlantic* piece has "no time for this Psycho stuff." His inability to retrieve a more appropriate term is

tion is called "cognitive dissonance"—belief in contradictory things. That is, he was traumatized, but he is somehow immune from the effects of trauma that would be inevitable for anyone else.

It is entirely consistent with this kind of denial for Senator McCain to take a high public profile in matters related to TBI and PTSD in veterans returning from Iraq or Afghanistan. This behavior tends to reinforce the delusional system that insists one is entirely unique and therefore whole and undamaged. This is a destructive thing in relational and familial systems of individuals; it would be unspeakably dangerous if it were part of the makeup of a president.

History provides many examples of rulers with such traits. In fact, John McCain shares just about every important characteristic of temperament, attitude, and behavior with most of the Plantagenet kings, who embodied the characteristics of the knight errant that he evokes as virtues.

Under the Plantagenets, the long-suffering people of England were stuck with nearly 300 years of virtually continuous, ruinous, and fruitless wars of almost no

tech football helmets or struck frequently with padded gloves. Imagine the brain damage a prince had to acquire before he was deemed fit to be king.

In the Tudor case of Henry VIII, we have an individual whose life has been chronicled in such tedious detail that we can identify with specificity what clinicians call “precipitating events.” We know that, in addition to any damage done in training, he was unhorsed in a tournament trying to impress Anne Boleyn. This left him unconscious, probably in a coma, for several days, as did another fall from a horse while riding in the country, shortly before he had Boleyn beheaded. Although this man was afflicted by numerous ailments, a recent publication by the Congress of Neurological Surgeons maintains that his remarkable cognitive and emotional degeneration was substantially due to progressively more severe organic brain damage incurred during the course of his violent life.

THE RESPONSES OF AN **UNHEALTHY OR DAMAGED BRAIN** TO THE EGO-DISTORTIONS, PRESSURES, COMPLEXITIES, AND **ESPECIALLY THE DECISION-MAKING POWERS OF THE PRESIDENCY** ARE THE STUFF OF **HORROR FICTION**.

When the warlords of the Dark Ages evolved into the nobility of Medieval Europe, rule by functional but obsessive rage-filled men was the norm. This may explain why pre-Enlightenment queens like Elizabeth I or Isabella of Castile stand out remarkably from most of their male counterparts in terms of competence, flexibility, imagination, and mental and emotional stability and why queen consorts, from Eleanor of Aquitaine to Catherine de Medici, so often ran the show.

In this context, perhaps one of the greatest gifts of the Enlightenment may be that the path to political leadership

no longer required sustaining brain damage. America has had famously temperamental presidents, even in recent years. George Stephanopoulos described Bill Clinton’s “purple rages,” confessing that he was so unnerved by the outbursts that he broke out in hives and began taking an antidepressant. But even famously feisty presidents like Nixon and LBJ were scarcely pathological. By my analysis, only Andrew Jackson approaches the morbidity of the symptoms of TBI presented by John McCain.

Far from diminishing, the behaviors that marked McCain’s Senate career—unregulated anger, impulsivity, inability to tolerate ambiguity—would surely stalk his White House, and on a grander scale. Difficulties with abstract thinking breed obsessive behaviors and tendencies to personalize issues in very concrete terms in lieu of dealing with nuance and complexity. It is difficult enough for political leaders to keep perspective

when dealing with foreign leaders whose motives are often obscure and complex. If one is given to personalizing such things, the miscalculations could have horrifying outcomes. And if the behaviors are organic in etiology, they will not abate on some sort of presidential learning curve.

In my clinical work with TBI patients with moderate symptoms, I am invariably struck by the level of frustration they encounter on a daily basis. It’s a terrible, multi-layered bind. Unless it is severe, brain injury is a closed wound. Since victims appear undamaged, everyone around them expects—and they them-

selves often expect—normal skill sets, behaviors, and emotional ranges. The energy it takes to compensate for functional deficits is extraordinary, and the absence of affirming feedback breeds a sense of isolation that morphs over time into deep-seated resentment. It is much, much easier to stay focused on one thing, which accounts for the characteristic obsessiveness. Execution is often driven by resentment and anger rather than objective circumstances. This breeds a toughness that can endure enormous amounts of stress before decompensation—which is almost always extremely violent in nature—occurs.

This is where it gets frightening. Coming into the presidency of the United States at this time in our history with frustrations and disinhibitions derived from TBI and PTSD constitutes a perfect storm. We have seen how the essentially normal (if not particularly impressive) brain and psyche of George W. Bush became obsessive, error-prone, isolated, and even delusional when confronted with the awesome power and duties of the presidency. The responses of an unhealthy or damaged brain to the ego-distortions, pressures, complexities, and especially the decision-making powers of the presidency are the stuff of horror fiction. No points of agreement on policy or program can justify that kind of risk.

A PET scan, a value-neutral picture of the human brain in action that any properly trained neurologist can evaluate through scientific method—no bias, no subjectivity as would be found in the notes of some shrink or in an article like this. A scan of John McCain’s cranium would answer all these questions. He will never submit to this, but our descendants may wish we had insisted. ■

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The Public's Choice

What voters don't know can hurt them.

By David Gordon

AS THAT FATEFUL DAY in November approaches when we must choose between McCain and Obama, the two greatest statesmen since Gladstone and Disraeli, of one thing you can be sure. We shall hear constant reminders of our duty to vote. As the last few days before the election arrive, these appeals will intensify. Surely only a slacker, unfit to live in a free country, could fail to heed them.

Here, though, a problem arises. Not only do many people fail to heed these appeals—in the last presidential election only 60.7 percent of those eligible bothered to vote, and this was considered a high turnout—but those who do vote know very few elementary political facts. Many people do not know the name of their own congressman and are unaware that each state elects two senators.

A recent book by Rick Shenkman, *Just How Stupid Are We? Facing the Truth About the American Voter* notes, "In January 2003, three months before our invasion of Iraq, the survey takers found that a majority of Americans falsely believed that 'Iraq played an important role in 9/11.'" Since the war began, information that Saddam Hussein had nothing to do with the attacks has been in wide circulation. Yet "in 2006, a Zogby International Poll indicated that 46% of Americans continue to believe that 'there is a link between Saddam Hussein and the 9/11 terrorist attacks.'"

According to some exponents of public choice theory, an influential movement at the intersection of economics and political science, voter igno-

rance and apathy are not failings but rational attitudes. Public choice aims to apply the methods of economics to political actors. As Gordon Tullock, co-author with James Buchanan of *The Calculus of Consent* (1962), an early classic of the movement, points out in an essay, "People Are People: The Elements of Public Choice":

Throughout the 19th and well into the 20th century, economists assumed that individuals are primarily concerned with their own interest and worked out the consequences of that assumption. On the other hand, during this same period political science largely assumed that political actors are mainly concerned with the public interest. ... Economists changed this bifurcated view of human behavior by applying the theory of public choice which amounts, in essence, to transplanting the general analytical framework of economics into political science.

What happens if you follow Tullock's lead and apply economic analysis to the decision to vote? Even if it matters to you very much whether Obama or McCain will become Leader of the Free World, you will be just one of millions of other voters. Even in elections with fewer voters, such as those for statewide or local offices, your vote will still be only a minute fraction of the total. Your vote has virtually no chance of affecting the outcome: if you were to stay home, the election would have the same result

as if you voted. Voting, though, involves some cost: you must register and take time to go the polling place. Not much, it is true, but this must be weighed against the fact that your vote will almost certainly achieve nothing. If you do a cost-benefit calculation, then, voting will turn out to be mildly irrational.

But what if everybody thought that way, the counterargument goes. Then no one would vote and we wouldn't have a democracy. Only someone completely lacking in public spirit would "reason" in this way. But the public choice advocate will not be fazed. He will point out that however bad the consequences if everyone didn't vote, you cannot, by your decision to vote, change what other people do. If the earlier argument is right, then it is still irrational to vote. Another response to "what if everybody did that?" came from Robert Nozick, who once told me, "If everybody didn't vote, then I *would* vote!" Then your vote would count decisively. But of course, in the actual world, we know that many people will vote so again we have no reason to join them.

The public choice argument goes one step further. If you can't affect the outcome by your vote, it might not be worth spending much time and effort to become well informed on public affairs. Why dedicate a great deal of time investigating, say, whether Saddam Hussein was involved in 9/11? Even if you find out that he wasn't, and accordingly decide not to support the Bush administration, our previous contention recurs: your decision will have no effect. The

public choice conclusion is the famous rational ignorance hypothesis: if voters do not know much, their ignorance reflects a correct calculation of the benefits and costs of acquiring information.

So far matters do not look very good for our political system, but the news is even worse. Mancur Olson pointed out in another famous book, *The Logic of Collective Action* (1965), that some people do have a strong motive to engage in political action. The members of a small group may benefit from particular pieces of legislation, and it will repay individuals to invest heavily in the group's activities, since here the individual does make a difference. Hence the proliferation of lobbyists and special interests in Washington. Unfortunately, what is good for these groups often harms the rests of us; consider, for example, the efforts of Ahmad Chalabi and his Iraqi National Congress to embroil us in war in order to promote their political ambitions.

Donald Wittman, another public choice economist, finds an escape from this bleak picture. In his *Myth of Democratic Failure* (1995), he argues that voter ignorance may not matter very much. The commonsense reason for fearing the effect of ignorant voters is that they will make mistakes. You would not want to have surgery performed by someone who had never before seen the inside of an operating room. Wittman, of course, doesn't question this, but he suggests that the errors of the uninformed may cancel out. Suppose that a group of people is trying to estimate the number of jellybeans in a jar. The average estimate turns out to be relatively accurate, because those who underestimate the number cancel out those people in the group who overestimate it. Unless there is bias one way or the other, we may expect this happy outcome to occur. In like fashion, Wittman suggests, voters who do little better than guess may end up with good policies.

Will there be a major terrorist attack soon? Possibly, but it probably won't have anything to do with American elections. It is well known that a number of terrorist groups, most notably al-Qaeda, closely follow politics and elections in the United States and lately there has been considerable speculation from so-called terrorism experts in the media about a possible major al-Qaeda attack around the U.S. elections. According to the talking heads, an attack before November 4 would be an attempt to influence the result, whereas a strike soon after the election would be to "test" the new president. Unfortunately for the experts, their opinions are shaped by a U.S.-centric view of the world, which ignores the fact that terrorists have a much broader perspective and a different timetable. There is considerable evidence on Islamic websites that suggests Islamic militants do not care about the election: they apparently believe that U.S. foreign and security policy, particularly in the Middle East, will remain substantially the same under Democrats or Republicans.

So how then does one analyze the considerable internet and telecommunications chatter that U.S. intelligence has picked up that seems to presage a major attack? While it may be true that some terrorists would like to enhance the prospects of John McCain because they prefer a president who, like Bush, will punish Muslims and serve as a recruiting poster, there is no evidence to suggest that anyone who is in a position to carry out a major bombing is motivated to do anything to help the McCain-Palin ticket. Rather, intelligence analysts believe al-Qaeda is preparing to act, as it frequently does, unpredictably and will choose a major but non-obvious target to remind the world that it is still a force to be reckoned with, regardless of what is going on in Washington. Intelligence sources suggest that al-Qaeda leaders are planning a major offensive that will probably include a co-ordinated attack to overwhelm and destroy an embassy or major government building in either Asia or Africa. Many American embassies have been placed on alert as a result, but U.S. offices might not be the target.

The heightened threat level is one of the reasons that America has accelerated its drone attacks in Pakistan, established new listening posts on Pakistan's borders, and realigned its surveillance satellites to saturate the Pakistani tribal regions. Washington knows that the odds are long, but it hopes to get lucky and kill a senior planner of whatever terrorist act is being contemplated. The problem is that this strategy involves killing a lot of other people in the process, many of them civilians, which is pushing Pakistan closer to the edge of a political meltdown. Secretary of Defense Robert Gates has, however, decided that the dicey policy is worth it, at least in the short term, as a major terror strike by al-Qaeda would revitalize the group, while disrupting its plans by killing key leaders would effectively marginalize them as a serious security threat.

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As long as there is no systematic bias—but there is the problem with this line of thought. Bryan Caplan, in *The Myth of the Rational Voter* (2007) maintains that voters' errors do not cancel out. In economic questions, people tend to hold false beliefs; they are not making random guesses, as in the jellybean case, when they support or oppose particular policies. Most people, for example, favor minimum-wage legislation, even though elementary economics shows that this results in unemployment. Another example of the malign effects of ignorance readily springs to mind, in addition to the economic cases that Caplan discusses. What about Iraq? Had people not been under the false impression that Saddam Hussein planned the 9/11 attacks, would the Bush administration have been able to embark on a disastrous war? It hardly seems likely.

Is our political system then doomed? Perhaps not, and we can find part of the way out in yet another important book, Geoffrey Brennan and Loren Lomasky's *Democracy and Decision* (1993). They challenge the public choice analysis by arguing that people do not vote by calculating whether the benefits of doing so outweigh the costs. To the contrary, they vote from what these authors call "expressive" motives. Voting, and more generally participating in politics, is a way they can show their commitment to a set of beliefs. The fact, stressed by the earlier public choice analysis, that a single choice will have a minuscule effect on the outcome, retreats to at best secondary significance. The act of voting is deemed valuable in itself, not just for its "instrumental" results.

An example from my own experience illustrates Brennan and Lomasky's point. In the last year or so, I, along with other readers of *The American Conservative*, actively participated in the Ron Paul campaign. He had an outstanding pro-

gram, and supporting him manifested solidarity with his ideas.

This view of voting, though, raises a new problem. People may vote to express their values, but what happens if these values are bad? This issue worries Brennan and Lomasky, and it is also a prime concern of Caplan's book. There is often little personal cost in supporting a wrong ideology: even if minimum-wage laws are bad for the economy, your voting for them probably will have no immediate effect on you. If we replace a model of rationally ignorant nonvoters with one of ideologically committed expressive voters, are the prospects for our political system any better?

There is a way out, but before turning to it, let's introduce one more complication. In *Free Riding* (2008), Richard Tuck challenges the public choice model at its fundamental premise. True enough, he says, your vote will not affect the outcome in an election with millions of voters, but why is this the criterion of rationality? What if you just want to be part of the winning coalition? If so, you have a good chance of achieving this by voting, depending on how close the election turns out to be. Before Olson's book appeared in 1965, Tuck claims, voting with this goal was considered perfectly rational.

Whether or not he is right, we face a situation with a large number of ideologically driven voters. Need this lead to disaster? The Austrian School economist and libertarian theorist Murray Rothbard did not think so. No doubt many are beguiled by harmful visions, but he had a fundamental faith in common people. If the imperatives of a free society were properly presented, he was confident that people would choose rightly.

His act of faith may be all well and good, but is it justified? Would not Rothbard have been constrained to acknowledge Caplan's point that most people are ignorant of economic theory? Rothbard's

answer was to return politics as much as possible to the local level. Centralized power was for him the main enemy. Even if federal courts were to enforce what he deemed the correct policy against states or localities, libertarians should still seek local control. As he remarks in *The Irrepressible Rothbard*: "No; libertarians should no longer be complacent about centralization and national jurisdiction—the equivalent," he writes, "of foreign intervention or of reaching for global dictatorship. Kansans henceforth should take their chances in Kansas; Nevadans in Nevada, etc."

Rothbard's claim fits with another argument, advanced by his mentor, Ludwig von Mises. He pointed out that the free market is a way to make decisions far better than any political system. Consumers by their dollar votes determine the course of production. Even the "losers" with unpopular tastes, though, need not despair: as long as producing for their needs will earn a profit, they will get what they want.

This contrasts sharply with the political system, where losers must wait for the next election. Further, as Joseph Schumpeter emphasized, consumers are much better able to judge matters that affect their own lives than complex questions of political theory. Propaganda often fools people, as the Iraq War shows us only too well, but false advertising is soon exposed. As Schumpeter memorably put it in 1942: "The picture of the prettiest girl who ever lived will in the long run prove powerless to maintain the sales of a bad-tasting cigarette."

Clever arguments by economists and political theorists as to whether it is rational to vote have their place, but our real task is to return politics to the local level. ■

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Film Rights

Conservatives set out to win the culture through cinema. Instead, they made campaign ads.

By Michael Brendan Dougherty

THE AMERICAN FILM RENAISSANCE, held in Washington D.C. the first week of October, billed itself as “the only film festival in the world devoted to celebrating America’s timeless traditional values like freedom, rugged individualism, and the triumph of the human spirit.” In shorthand, AFR is a conservative film festival. During its first wine-and-cheese afterparty, one Washington lawyer aptly reinterpreted AFR’s mission statement, saying he hoped the festival “will get Hollywood to go back to the pro-American films that they used to have. Like the ones John Wayne used to be in.”

He’s not alone. Figures on the Right from William F. Buckley Jr. to Tom Wolfe have lamented that conservatives have focused on electoral politics to the exclusion of cultural endeavors. Think tanks, magazines, and activist groups can accomplish political tasks, they say, but culture-makers shape our prejudices and ideals in a subtle though more profound way than any policy paper or election. Liberals may lose at the ballot box, but through the box office, they are winning America’s hearts and minds.

AFR, founded five years ago by lawyers Jim and Ellen Hubbard, is supposed to be the conservative film movement’s workshop and showcase. Unfortunately, the festival reveals that self-conscious conservatives are largely incapable of producing good films. Worse, whenever they get their hands on the tools and money to produce quality work, their talents are employed less as

storytellers informed by great truths about man and civilization than as political operatives obliged to serve the GOP.

The top-billed film of this year’s festival was “An American Carol,” a slapstick spoof produced by David Zucker, the man behind “Airplane,” the “Naked Gun” flicks, and a series of unaired Bush re-election commercials. “Carol” tells the story of “anti-American” documentarian, Michael Malone, who sets out to abolish the Fourth of July. Why? Because he hates America, we’re told. To the delight of the audience, JFK, General Patton, and George Washington make appearances to slap the Michael Moore lookalike and teach him that America is the greatest country ever. By the end, the liberal filmmaker realizes that being American means being pro-war (any war), and that’s okay.

To prime the audience, before AFR screened “Carol,” the conservative crowd was treated to an extended trailer for Oliver Stone’s scabrous Bush biopic, “W.” Predictably, “An American Carol” received an extended ovation, and “W.” was jeered. Of course, neither film will have an enduring effect on the culture. But each will gauge the relative box-office clout of conservatives and liberals as demographic groups. And the political Right is desperate to prove that it is not just a movement but an audience.

Conservatives launched an extensive get-out-the-popcorn effort for “Carol.” The movie has been promoted by bloggers on *National Review Online*. The

Leadership Institute, an activist group that maintains contact with College Republicans nationwide, urged its charges to see the movie on opening weekend, even handing out tickets to its interns. The effort wasn’t a disaster—the film made the top ten—but while it opened on nearly three times as many screens as Bill Maher’s “Religulous,” “Carol” earned roughly the same dollar amount, a paltry \$3.5 million.

Is “An American Carol” funny? In parts. There is some mildly amusing ethnic humor and a bravura film-within-a-film about Christian terrorists. Nuns perform the sign of the cross before blowing up buses, priests hijack flights, and Americans are forced to go through a humiliating new security procedure at airports because of “that Episcopalian suppository bomber.”

But the rest is a series of tiresome gags hastily tied together. Adorable children curse out their liberal relatives, Dennis Hopper blows away ACLU zombies with a shotgun, soldiers and sailors are hailed for their prowess in the sack. Of course, antiwar activists are smeared as pro-slavery Nazi-appeasers. Some scenes are recycled from Zucker’s campaign work. In one of his unaired 2004 spots, Arab terrorists fool Madeleine Albright by singing “Kumbaya.” In “Carol,” Hitler and his friends reach for their six-strings to serenade Neville Chamberlain, the Michael Moore stand-in, and a displeased Patton. Bill O’Reilly makes a cringe-inducing cameo.

Far from lampooning the Left, "Carol" insults conservatives by presuming that they are so simple as to be won over by fat jokes and flatulence. But the audience, imagining itself to be persecuted by Hollywood, is so grateful to be flattered by Zucker and company that they chuckle obediently at every cheap laff. Conservatives, once the scourge of coarsening culture, are happy to play crass as long as the joke is on liberals.

But contrary to the victim mentality of the AFR attendees, media elites are willing to praise genuine conservative achievements in filmmaking. *New York Times* critic A.O. Scott hailed the Peter Weir adaptation of "Master and Commander" as "among the most thoroughly and proudly conservative movies ever made. It imagines the H.M.S. Surprise as a coherent society in which stability is underwritten by custom and every man knows his duty and his place. I would not have been surprised to see Edmund Burke's name in the credits." But unlike "Carol," the compelling maritime epic was informed by its conservative worldview, not driven by it.

At the same time, Hollywood liberals sometimes churn out products that conservatives love. Democratic donors Steven Spielberg and Tom Hanks produced "Saving Private Ryan" and the "Band of Brothers" miniseries that *National Review* hailed as part "a new tradition of 'getting it right.'" Spielberg

and Hanks, the conservative biweekly, claimed, were "excellent caretakers" of this tradition.

Ellen Hubbard would love to see more subtle fare at AFR. She says that she and her husband "debate every year whether to search for more mainstream films or stick with more overtly partisan material" but, "especially, in an election-year, our audience wants the red meat."

Despite this insatiable hunger, AFR has grown slightly more circumspect since its founding. In 2004, screenings opened with the Pledge of Allegiance and almost every film was preceded by a

book about liberal hypocrisy, deftly skewers its subjects. We learn that Michael Moore owned Halliburton stocks at the same time he told lecture audiences not to buy stocks at all. Noam Chomsky benefited from Pentagon contracts for his linguistics work, yet compares that institution to the Third Reich. Hillary Clinton campaigned in 2008 against many of the same mortgage practices she and her partners profited from in Whitewater. But what is the purpose of this dreary parade? The effect is to induce a certain smugness and self-satisfied lack of curiosity. If Al Gore

THE RECENT **BOX-OFFICE SUCCESS OF LIBERAL DOCUMENTARIES** BY AL GORE, MICHAEL MOORE, AND ERROL MORRIS MEANS THAT **AFR IS NOW FULL OF RIGHT-LEANING IMITATORS.**

montage of military photos urging the audience to support the troops. In the early days, the Hubbards raised most of their money from friends and family. Now AFR is Ellen's fulltime vocation. As the organization has grown, it has found sponsors in the Drudge Report and the Heritage Foundation. And the recent box-office success of liberal documentaries by Al Gore, Michael Moore, and Errol Morris means that AFR is now full of right-leaning imitators.

"U.N. Me" takes an acid look at the United Nations, investigating the Oil for Food scandal, blunderous missteps during non-proliferation efforts, and the institution's tragic interventions in Africa. The filmmakers had a difficult time making such stomach-turning material entertaining. A satirical section called "Peacekeepers Gone Wild," in which UN troops are shown dancing with underage prostitutes in a Côte d'Ivoire brothel, is too disturbing to be funny.

Another offering, "Do As I Say," a documentary based on Peter Schweitzer's

owns a big house and carbon offsets are a fraud, then there is no need to think about global warming.

"Blocking the Path to 9/11" is a well-executed documentary about the 2006 ABC miniseries based on the 9/11 Commission Report. Watching the film, those who had forgotten the controversy might have guessed that the series never aired. It did, but with confusing last-minute edits, done at the behest of the Clintons and ABC brass, to make Bubba's administration look less culpable for failing to capture bin Laden.

The travails of a miniseries may seem like a small subject for a feature-length documentary, but the film is decidedly watchable because it lifts the curtain on Hollywood's players and turns around powerful themes: the struggles of an artist pursuing his vision, the pettiness of bureaucratic men, and the triumph of partisan politics over truth. The film makes much of former national security adviser Sandy Berger's baffoonish antics at the National Archives, where he

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stuffed his pants with incriminating documents from the Clinton administration, later destroying them. The criminal, and criminally stupid, Berger is shown accusing the miniseries' director of manipulating history for partisan purposes. The nerve!

But it is here that we encounter the fundamental problem with AFR and many of its films. As "Blocking" moves into its final scenes, we are prepared for a stunning indictment of Washington and Hollywood. The audience anticipates that the documentary will champion the cause of artistic freedom and truth-telling. Instead we get a boring endorsement of the Republican Party. An assistant director on "The Path to 9/11" turns to the screen and says, "I considered myself liberal on most issues. But, after this, I really have a new perspective on who *gets it*—who gets the nature of our enemies." Members of AFR's audience murmured little "Amens" and nodded their heads.

At AFR, to hate Sandy Berger is to fall into the arms of Condi Rice. To despise Michael Moore is to cheer Bill O'Reilly. If Noam Chomsky is a hypocrite, then why criticize the Pentagon at all? AFR, instead of promoting American values, is trolling for votes. Its mission is high-toned and cultural, but its goals are transparently political. No wonder that after its first years in Dallas and Los Angeles, the festival seems to have found its permanent home in Washington, where Leadership Institute and Heritage interns can be marshaled to volunteer their efforts and their eyes.

It is no wonder that artists of a conservative bent like Tom Wolfe, Whit Stillman, and Mark Helprin have kept a formal distance from the conservative movement. The organized Right cannot stop itself from turning a popcorn flick into a pamphlet or a documentary into a screeching polemic. Freedom, rugged individualism, and the triumph of the human spirit? Sure. Just vote GOP. ■

Invisible Fist

Can capitalism and authoritarianism work together?

By Paul Gottfried

HISTORY WAS SUPPOSED to have ended in 1989 with the triumph of Western-style democracy and capitalism. The fall of the Berlin Wall proved, at least to the satisfaction of many American pundits and academics, that economic and political liberty advanced hand in hand. Prosperity must bring freedom and vice versa, a virtuous cycle that would lead the developing world inexorably toward American ideals.

But after 20 years, an alternative scenario has arisen. "By shifting from Communist command economy to capitalism, China and Russia have switched to a far more efficient brand of authoritarianism," Azar Gat of Tel Aviv University argued in *Foreign Affairs*. These countries "could establish a powerful authoritarian-capitalist order that allies political elites, industrialists and the military; that is nationalist in orientation; and that participates in the global economy on its own terms." Indeed, our erstwhile Cold War foes are doing well with their new economic systems. Russia under Putin and China since the end of Maoism have both registered high rates of economic growth. In Russia, disposable income in the last six years has risen almost fourfold, while unemployment has gone down by more than half. There and in China, the vast majority express a high degree of satisfaction with the way the government has handled the economy.

This stands in sharp contrast to public opinion in America, where 82 percent of the population considers the country to be "headed in the wrong direction." As the events of recent weeks have shown, democratic capitalism—once imagined

to be the unstoppable wave of the future for the entire world—now faces an uncertain tomorrow even in the West. Pat Buchanan noted in a recent column, "Liberal democracy is in a bear market. Is it a systemic crisis, as well?" If it is, might authoritarianism and capitalism soon seem to be natural complements, the way that free markets and democracy were once thought to be?

Advocates of "democracy plus free markets" typically favor some variation of capitalism that is fused with popular elections, religious and cultural pluralism, secularized political institutions, tolerance of homosexuality, and women's rights. These seem to be the necessary preconditions for economic and moral well-being and for a peaceful international community, since, according to this particular picture of human history, democracies never fight each other.

At least to some extent, the identification of democracy with prosperity is true. The Fraser Institute's *Economic Freedom of the World, 1975-1995* and other more recent surveys show the correlation between high standards of living and "democratic institutions." Even such heavily taxed and regulated "democratic" countries as Sweden and Norway boast some of the world's highest living standards, as well extensive domestic and foreign investments in their economies. Welfare states such as Australia, Iceland, Canada, and Sweden also register respectable rates of economic growth. That is because these countries, like our own, are politically stable and still have relatively unfettered economies.

But there is no reason to think that only governments that are “democratic” in the current usage can provide political stability and good investment climates. Free markets are operating well in very different political systems. One of the most successful examples of nondemocratic capitalism is Singapore, which after winning independence in 1959 flourished under the firm hand of Lee Kuan Yew, who was prime minister or senior minister from 1959 until 2004. Lee has always stressed economic productivity and very low taxes. But in a 1994 interview with Fareed Zakaria, he pronounced his opposition to “Western democratic imperialism.” While acknowledging that the U.S. has some “attractive features,” such as “the free and open relations between people regardless of social status, ethnicity or religion” and “a certain openness in argument about what is good or bad for society,” Lee expressed doubts about the American way “as a total system.” “I find parts of it totally unacceptable,” he told Zakaria, “guns, drugs, violent crime, vagrancy, unbecoming behavior in public—in sum the breakdown of civil society. The expansion of the right of the individual to behave or misbehave in public as he pleases has come at the expense of an orderly society.”

In Lee’s country—and in Asia more generally—they do things differently: “In the East the main object is to have a well-ordered society so that everyone can have a maximum enjoyment of his freedom. This freedom can only exist in an ordered state and not in a natural state of contention of anarchy.” Lee had admired the U.S. in the past, but given the “erosion of the moral underpinnings” and the “diminution of personal responsibility” that has since taken place in recent decades, he has since changed his view of American democracy for the worse.

Contemporary Russia and China provide even more striking examples than diminutive Singapore of relatively free

markets under authoritarian governments. But one need not look so far afield—the historical milieu in which capitalism arose in Europe supplies ample evidence closer to home. Industrial development in the West began long before European societies became “democratic” in the contemporary sense. Until the 20th century, women didn’t vote, nor did they hold extensive property rights. In many of the countries in which industrialization and the rise of the bourgeoisie first occurred, there was nothing like separation of church and state. And most of the Western societies that were undergoing industrial development in the mid- or late 19th century were not particularly tolerant toward labor unions: workers’

movements of democratization is naïve. They are inherent in the claims made by modern democracies to being pluralistic, egalitarian, and universalistic.

The current version of democracy benefits from consumer capitalism inasmuch as public administration needs the financial resources and consumer goods produced by the market to maintain social control. Consumer societies also serve the goal of democratic socialization—that is, the creation of “democratic,” as opposed to “authoritarian,” personalities—by encouraging a materialistic way of life. As Daniel Bell argues in *The Cultural Contradictions of Capitalism*, other things being equal, democratic-capitalist societies work against

INDUSTRIAL DEVELOPMENT IN THE WEST BEGAN LONG BEFORE EUROPEAN SOCIETIES BECAME “DEMOCRATIC” IN THE CONTEMPORARY SENSE.

strikes were often broken up by the police or the military. The Western societies that created free markets and expansive economies sometimes look almost medieval, as viewed from the perspective of contemporary “democracy.” Yet these societies typically had freer—that is, less regulated—markets than our own modern states.

Conversely, present-day notions of democratic equality and what the state must do to promote that value may eventually preclude the possibility of relatively free markets. Despite their costly welfare states, Western democracies have so far been able to survive as wealth-producing countries, and this situation might have prevailed forever—if certain conditions of late democracy had not come along. In particular, feminist attitudes toward childbearing and the modern democratic state’s affinity for mass immigration have clouded the future of free markets. To regard these culturally revolutionary features as merely accidental accompani-

ments of pre-modern institutions and values. A stress on consumption and on fashionable commodities leads to a condition of life characterized by the availability of ever-increasing goods and the association of social rank with their acquisition. Living in this manner nurtures both individual-centeredness and openness to change. These are values that democratic educators are happy to emphasize in order to weaken and replace traditional, pre-democratic communities.

But there are limits to how far democratic welfare states will go to sustain capitalism. Democracy’s support of feminism, for example, creates short-term benefits but also long-term headaches for the economy. While today’s working women earn and spend more than their predecessors who were not part of the labor force, they are also less focused than earlier generations on child-rearing, and are unable or unwilling to devote as much time and energy to their offspring. Among the results of women’s

emancipation from the family, particularly in Europe, has been a graying of the native population and the need to import a foreign, largely Third World, labor force. The rationale for this step has been to pay for retirement funds and social services, although more recently this policy has also been justified as helping to enrich the culture.

The gamble of importing unskilled immigrants to make up for the birth dearth has not paid off for Germany. Because of that country's bloated welfare state, its national debt is now 11 times higher than it was in 1972, and it is likely to increase fivefold in the next 20 years in order to provide social services to the new immigrants, the vast majority of whom are either unemployed or earning-impaired. Unemployment is now many times what it was in the 1970s. And the demographic collapse is only worsening. A prominent economist and onetime adviser to the Christian Democrats, Meinhard Miegel, in his monograph *Die Deformierte Gesellschaft*, draws a gloomy picture of a society that is falling on the skids materially, in a way that Freedom House and the Fraser Institute have avoided noticing. By 2200, if present trends continue, Germany will have the population that it did in 1800, but the demographic distribution will be the opposite: in 1800, most Germans were below 40 years of age; already today 24 percent are 60 or older.

Although there are special circumstances in the German case, such as the costs of national reunification, most of Germany's problems are characteristic of other Western societies. Women marrying late or choosing not to marry at all, low fecundity rates, and the welcoming of unskilled immigrants have all become endemic in the West. Democracy today, with its emphasis on equality and pluralism, is an agent of social disintegration.

It's also bad business. Although a modern democratic system can coexist

with capitalism in the short and even middle terms, the two will eventually clash. Their contradictions are too glaring not to surface. Expanding social programs, the lopsided statistical distribution of young and old caused by the very democratic feminist movement, and the importing of unskilled labor are bound to increase popular demands for income redistribution. Our own country now stands at the threshold of new social spending such as government-controlled healthcare. While it might be hard to demonstrate that such developments have always inhered in a welfare-state democratic regime, one can easily comprehend how modern democracy reached its present state here and in Europe.

Can authoritarian governments conceivably do better than modern democracies as frameworks for capitalist economies? Certainly the old idea that capitalist development inevitably leads to political freedom has fewer adherents today than it did at the end of the Cold War. Robert Kagan, in his new book *The Return of History and the End of Dreams*, no longer treats the movement toward liberal democracy as "the unfolding of ineluctable processes," though he still calls for the U.S. to form a "league of democracies"—an arrangement that his admiring blurber, John McCain, intends to put himself in charge of—to force the world to be free.

Once the reader looks beyond Kagan's search for enemies against whom the "democracies" can mobilize their laggard populations, however, one sees that he makes several relevant points. Authoritarian powers like Russia and China can effectively integrate free market economies into their nationalist projects. Economic freedom does not necessarily require the adoption of liberal or democratic institutions. The belief that had driven the end-of-history theorists of the 1990s, that movement

toward the free market would be accompanied by political liberalization, has not proven consistently true, and the exceptions might be more important than the embodiments of the rule.

Although Kagan ignores the changing meaning of his god-terms "liberal" and "democratic," he correctly perceives the degree to which politics can control economics, even in a recognizable market economy. Not all capitalist economies will lead to the election of Barack Obama or Tony Blair. Indeed, in some societies a thriving economy may go hand in glove with a favored Russian Orthodox Church, the veneration of the last tsar and his family, or evocations of the glory of the Ming dynasty. To his credit, Kagan admits that capitalism does not always lead in the political direction he wants it to go. Market economies can be a valuable asset to any kind of government. Even those that prefer to rule by the stick have come to recognize the need for carrots.

Even so, autocratic capitalism may prove a transitory phenomenon, for the simple reason that authoritarian regimes are not likely to endure. Israeli political scientist Amos Perlmutter, the author of *Modern Authoritarianism*, argues that despotic governments rule in societies that are only imperfectly modernized: they have typically depended for their establishment on (often shifting) alliances made with the peasantry, military, established churches, and elements of the working class. Over time, such regimes either give way to other, similar orders—often as the result of military coups—or else they evolve, like Franco's Spain, Syngman Rhee's South Korea in the 1950s, and Pinochet's Chile in the 1980s, into middle-class constitutional states. Perlmutter does not have an ax to grind against authoritarian regimes, which often provide the breathing space for economic and political change. But he views them as stepping stones to peri-

odic instability or else to democratic capitalism. Within this view, one does not have to agonize over a Singaporean exception, since Lee's attempt to blend economic growth with Confucian culture may not have any significance outside of his region. Lee may have produced an exotic flower that does not flourish in other climates.

It goes without saying that should authoritarian-capitalist states metamorphose into new democratic-capitalist regimes, they will soon be subject to all of the problems familiar to the West. And these difficulties will set in far faster than they did in our country because American cultural values will soon be swamping these fledgling democracies—by example, if not by force. Given their long-time totalitarian pasts—and in China's case, far-flung, dense population—the modern malaise may take root in authoritarian lands more slowly than in more Westernized countries such as Japan. But the Chinese and Russian cases are not yet illustrations of a stable, long-term “authoritarian capitalism.” Most likely, Putin and the Chinese Communists will eventually give way to “democratic capitalist” governments or to periodic regime changes followed, in the best of circumstances, by further economic growth. Without nurturing any illusions about the supposed friendship between democracy and capitalism, there is no compelling reason to treat autocratic capitalism as a permanent arrangement. The friendliest climate for economic freedom may have existed in pre-democratic Western societies in the 19th century. But that too proved to be a transition to something else, a new “democracy” with whose consequences we are still contending. ■

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Street Sweeping

Continued from page 9

patch scandal brought down Continental Illinois in 1984. Since then, the crises have come thick and fast. The late 1980s and early 1990s saw a wave of savings and loan collapses, followed in 1998 by the spectacular implosion of Long-Term Capital Management. In all these disasters and several lesser ones, deregulation provided executives with the financial rope with which they hanged themselves. The current subprime crisis is the clearest case yet in which regulation of the sort that ruled midcentury American finance could have minimized the trauma.

Regulation has received bad press in recent decades—often deservedly so. There is a difference, however, between good regulation and bad. Good regulation in this context requires minimalism and transparency. Instead of regulators involving themselves in the minutiae of every financial transaction, they should confine themselves mainly to setting prudential guidelines to keep firms generally within safe limits and to building appropriate firewalls to stop financial conflagrations from sweeping through the entire system. That said, regulators should have extensive powers to evaluate and, where necessary, ban what are euphemistically known as “new products.” As the present crisis amply demonstrates, such products generally serve only one real purpose: to enable Wall Street to confuse—and frankly short-change—its customers.

Why is regulation so necessary? A key problem is the notoriously asymmetrical nature of financial knowledge. Put another way, your broker knows more than you do. If he wants to do well for you, that is fine. But few securities sales-

persons become rich that way, and they have often preferred to prey on their customers' ignorance. Usually this is done subtly, at least where Wall Street's more reputable firms are concerned, and in recent years the tool of choice has been the invention of ever more esoteric “new products” that just happen to be ever more difficult to price accurately.

Writing in the *Financial Times* in 2004, economic commentator John Kay itemized some of the self-evidently absurd new products then being touted in financial markets: “Why would anyone want to buy a bond whose return is proportional to the square of the current interest rate? Why would someone in search of high income buy a security that offers it, but also offers a risk of large capital loss if one of three stock market indices should fall more than 25 percent below its initial level?” He added, “The only people well-equipped to assess the value of these instruments are the people who are selling them.”

For thinking conservatives the question is this: if easily analyzed, plain-vanilla financial products were good enough for the Eisenhower era, what has changed in the interim to suggest that today's highly complex products serve society better? In truth, Wall Street's perennially self-serving mindset and its periodic crises are two sides of the same coin. It is time to end the failed experiment with radical deregulation. ■

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Small Tent

In a move that has fragmented his nascent libertarian populist movement, Ron Paul endorsed Constitution Party nominee Chuck Baldwin. The decision is a

deliberate snub to the Libertarian candidate, Bob Barr.

Preferring to avoid a choice between two claimants to his legacy, Paul at first attempted a blanket endorsement of all of the major third-party candidates, which provoked a protest from Barr. Paul's subsequent endorsement of the Constitution Party candidate has hardened the rift between Paul loyalists, whom Baldwin represents, and Barr supporters, who see their candidate as the best chance to increase the Libertarians' share of the vote in a year when conditions favor a third-party challenge on the Right. The endorsement saga reminded everyone of how many mutually antagonistic factions came together behind Ron Paul in the primaries and how unsustainable this movement was.

The crack-up began Sept. 10, when Paul held a press conference to unveil his multi-endorsement of Chuck Baldwin, Cynthia McKinney of the Green Party, and independent Ralph Nader. Many of Paul's supporters were dismayed that their hero could support such radically different candidates, but the confusing endorsement was an accurate reflection of the ideological hodgepodge of Paul's admirers during the primaries. Barr had been invited, but declined to participate, quickly organizing a press conference of his own at which he ridiculed Paul's decision as a failure of leadership. Many Paul supporters had been unenthusiastic about Barr all along, a fact reflected in the miserable results of his fundraising efforts, in stark contrast to the Ron Paul "money

bombs" of last winter. Now most of them will lend Barr no help at all.

The former Georgia congressman clinched the Libertarian nomination in May at least partly on the grounds that he had enough name recognition and ideological credibility to increase the Libertarian vote. Disaffected conservatives found both McCain and Obama unacceptable and were looking for someone to advance Paul's message. As a pro-life immigration restrictionist, Barr offered the LP the possibility of winning over populist conservative voters, while his newfound civil libertarian and antiwar views would secure the party's base. Paul's popular but ultimately unsuccessful primary candidacy for the Republican Party offered many clues for how this might work, but Barr desperately needed Paul to signal to his supporters that they should rally around the Libertarian candidate.

The Baldwin endorsement scuttled that hope. Dissident conservatives, who may once have been drawn to Barr, now have less reason to back a Libertarian platform with which they disagree and a candidate who until recently was indistinguishable from conventional Republicans. The Constitution Party has been an explicitly conservative third party for two decades: it is proudly pro-life, pro-sovereignty, and restrictionist in a way that Barr as the Libertarian nominee could never be. It is the natural home for traditional conservatives who cannot support McCain. Paul's seal of approval has made it that much easier for social conservatives and constitutionalists to vote for Baldwin.

Moreover, Barr's increasingly petulant responses to the endorsement have alienated conservatives who were sympathetic to his candidacy. At a *Reason* event held in conjunction with the first presidential debate, Barr was asked about Paul's Baldwin endorsement. He replied by attacking Paul and dismissing Baldwin as a "theocratic candidate." Evidently not embarrassed by his own thin record as a civil libertarian and opponent of the war in Iraq, Barr claimed that Paul "used to espouse" a libertarian agenda and had somehow ceased to do so with his endorsement of the Constitution Party's candidate.

Most disappointing for Paul's supporters has been the unraveling of the movement in the immediate aftermath of the successful Rally for the Republic counter-convention in St. Paul. While many conservative Paul backers are more likely to agree with the priorities of the Constitution Party, the promise of the movement depended upon holding on to its libertarian and conservative factions. Unfortunately, as often seems to happen in protest movements, the policy-driven Ron Paul Revolution has broken apart because of clashing personalities.

As all of this unfolded, the financial crisis revealed the prescience and importance of Paul's warnings about the Federal Reserve's inflationary monetary policy. This issue, which Paul stressed repeatedly during his primary campaign—much to the eye-rolling amusement of supposedly serious journalists and pundits—has proved far more relevant in this election cycle than anyone could have guessed. It is particularly unfortunate for the country that there will not be a unified, coherent movement to give voice to this critique at a time when we need it most. ■

Arts & Letters

FILM

[*Rachel Getting Married*]

Sister Act

By Steve Sailer

HOLLYWOOD LIKES to squeeze a little more milk out of the DVD cow by occasionally re-releasing an old movie as an (inevitably longer) "Director's Cut." We never get to buy a shorter "Editor's Cut." With luck, director Jonathan Demme's "Rachel Getting Married" will be the first. Buried under more than an hour of 1960s noodling is a nifty 60-minute family drama.

Demme, who was born in 1944 (in between George Harrison and Keith Moon), was a sort of idiot savant music-video genius, who in 1984 made the best ever rock concert movie, *Talking Heads' "Stop Making Sense."* His 1986 masterpiece "Something Wild" incorporated the nascent "world music" trend delightfully. Unfortunately, the title "Stop Making Sense" proved prophetic. Demme's shambolic 1992 Academy Award acceptance speech for "Silence of the Lambs" may be the most incomprehensible yet.

As Demme's musical-visual gifts dimmed, he turned to liberal humanist (i.e., boring) message movies such as "Philadelphia," in which Tom Hanks proves that homophobia caused the AIDS epidemic (rather than, say, industrial-scale gay promiscuity). After Demme's useless remakes of "Charade" in 2002 and "The Manchurian Candidate" in 2004, the industry seems to have concluded that he doesn't have enough

brain cells left to handle a big production. Thus the low budget "Rachel Getting Married" looks like an amateur wedding video. Half the film consists of Demme's not-as-hip-as-they-used-to-be friends improvising tedious toasts and mediocre music.

The movie's better half stars a charismatic Anne Hathaway (a leading lady whose dark eyebrows made most of the impression in "The Devil Wears Prada") as Kym, an attentionaholic part-time model turned full-time drug addict who is furloughed from a posh rehab clinic for her sister's wedding. Exactly as her levelheaded sister Rachel dreads, Kym's self-destructive antics enthrall the multicultural throngs crowding the grounds of their father's Connecticut estate for Rachel's big day on which the Reform rabbi is to marry her to a tall, gentlemanly black man from Hawaii.

The highlight of the ceremony is the groom singing his bride a Neil Young ballad. White liberal critics have gone nuts over "Rachel" because the interracial marriage reminds them of a certain black Hawaiian's promise that promoting "mutual understanding" is "in my DNA." I fear, though, that even electing Obama President won't get many black guys to understand the appeal of whiny Canadian folk rockers from the Sixties.

First-time screenwriter Jenny Lumet named the groom "Sidney." She is presumably referencing both Sidney Poitier in Stanley Kramer's "Guess Who's Coming to Dinner," and her father, Sidney Lumet, director of 1957's "Twelve Angry Men," one of Kramer's successors as a liberal warhorse.

Various shocking revelations about Kym's culpability in the death a decade before of their little brother ensue, culminating in a confrontation with her mother (1980s legend Debra Winger of

"An Officer and a Gentleman" making one of her myriad, but still welcome comebacks). "Rachel Getting Married" has a decent little plot if you like upscale suburban family tragedies in the tradition of "Ordinary People." Lumet handles the disclosures about the death of the child realistically and effectively. Rather than build up to stagey moments, jagged shards of information are blurted out before you can prepare your emotional defenses.

Still, a more entertaining screenplay could be written about the star's off-screen misadventures. Hathaway was in the news in June when the FBI hauled away her suave Italian boyfriend, Raffaello Follieri. Outfitted with clerical cassocks and a claim to be the Vatican's chief financial officer, Follieri had wormed his way into a \$100 million deal with Bill Clinton and Ron Burkle to sell off Roman Catholic churches in America to pay for sex-scandal settlements. The bipartisan cute couple also hosted John McCain's 70th birthday party on a rented yacht in Montenegro.

An equally entertaining movie could be made about the real-life Lumet sisters, who are granddaughters of famed jazz vocalist and beauty Lena Horne. When their director dad received his Lifetime Achievement Oscar in 2005, screenwriter Jenny, a sensibly dressed old-fashioned leftist, had the global television spotlight stolen from her by the startling new cleavage of her sister Amy, a would-be model and 1992 *National Review* contributor ("Baby Cons of America, unite: You have nothing to lose but your parents' guilt").

With "Rachel Getting Married," Jenny has taken sibling rivalry to a new level. ■

Rated R for language and brief sexuality.

BOOKS

[*Angler: The Cheney Vice Presidency*, Barton Gellman, Penguin Press, 384 pages]

A Life of Vice

By Steve Clemons

AN OLD ADAGE about America's first helmsmen is that "Washington reigned, Hamilton ruled, and Jefferson complained." The contemporary version might say that "Bush reigned, Cheney ruled, and Congress, the nation, and the world complained."

Richard Cheney has sculpted the vice presidency in a way never seen before. He revolutionized an office that has turned many of its occupants into obscure eccentrics—one that Benjamin Franklin referred to as "Your Superfluous Excellency." Cheney refused to do state funerals. Instead, he rerouted the in- and outboxes of power in the White House and turned himself into the nation's most consequential political force. Whether George W. Bush approved or not, his VP animated most of the controversial policies that will define for decades the Bush II presidency.

An interesting thought experiment is to imagine what Bush's tenure might have been like had 9/11 not occurred. Admirers have suggested that the president's legacy would have been defined by his pet interests: "compassionate conservatism," faith-based initiatives, and literacy and education programs for young and old. Now think about a Bush presidency with Oklahoma Gov. Frank Keating or Sens. Chuck Hagel, Lamar Alexander, or Bill Frist as vice president—all of whom were vetted by Cheney as he went through the shortlist of Bush's possible running mates. What would the world look like had one of these men been chosen? My hunch is that America's national security and eco-

nomic portfolios would not be in the meltdown that they are in today.

History has taken its course, however. Cheney was put in charge of finding Bush's VP, and he positioned himself for selection. He uncovered, through an exhaustive questionnaire process, the most private and intimate details of the lives of the other candidates. No one vetted Cheney, though, so nobody had anything on him. He had the goods on everyone else, and he got the nod from Bush.

The curious way in which Cheney maneuvered himself onto Bush's ticket is one of many disturbing stories in this new and brilliantly researched account of Cheney's adventures as Bush's "No. 2." Barton Gellman, Pulitzer-winning *Washington Post* journalist, examines the nuts and bolts of Cheney's power apparatus. He shows how a mere vice president engineered a massive expansion of presidential power, knocked back the constitutional authority of Congress and the judiciary, helped launch an illegitimate war, developed a system for spying on America's citizens, oversaw White House-sanctioned torture, and pushed official secrecy to unprecedented levels. We see how Cheney punctured America's mystique as a benign and respected nation—how he shattered the moral, economic, and military pillars of American power.

Gellman had access to a surprising number of Cheney's close aides and others in the Bush White House. He records previously unknown anecdotes about the inner workings of the administration and Cheney's take-no-prisoners approach to winning policy battles. While Bush and members of his inner circle like Karl Rove seemed to be obsessed with the political machinations of their work, Cheney had a deeper purpose behind his crusades. For him politics and political gamesmanship, seduction, and intimidation were all about changing the nation's policy course—all about principle. Cheney wasn't much interested in weather politics. When Bush ordered him to survey Hurricane Katrina's damage, he reluc-

tantly complied. But his heart and soul were invested in the most important and controversial aspects of the Bush presidency, the policy areas he cared about most—terrorism, intelligence, national security, energy, environmental policy, tax and budget issues.

Gellman makes the fascinating and convincing claim that Cheney's notorious secret meetings with energy lobbyists, which prompted legal complaints from various NGO's, Congress, and the U.S. Government Accountability Office, were never about anything important. Cheney and his avuncular lawyer David Addington wanted to bring on governmental crises and tensions with Congress in order to demonstrate the dominance and infallibility of presidential power, which they defined as the "unitary executive." In Gellman's framing, Cheney saw 9/11, discussions with energy lobbyists, and even torture policy as mere vehicles for asserting his vision of a near monarchical presidency.

Angler leads its readers to think that, even without 9/11, Cheney would have found triggers to justify his imperial expansion of presidential powers and official secrecy, his pugnacious disregard for international law, the huge defense spending increases, the war against Iraq—or whatever nation would show that America was an irresistible force—and the massive tax cuts. Gellman argues that Cheney was never an apostle of neoconservatism. He didn't have a burning desire to establish democracy in Iraq. For Cheney, John Bolton, Addington, and others, Iraq was but a means to an end—a tool to expand presidential prerogatives. The same does not necessarily apply to Scooter Libby, a leading neoconservative thinker who strongly favored the invasion for ideological reasons.

This book is simply one of the scariest stories ever written about contemporary America. Cheney and Addington essentially hijacked the bureaucracy of national security and put themselves in the cockpit of government. In chapter after chapter, we read how Cheney set about constructing a secretive system of

government and policymaking in which he was accountable to almost no one. We see, for instance, how Cheney pushed through the second round of tax cuts—a move that made even Bush uncomfortable—and how he undermined Christine Todd Whitman, then administrator of the Environmental Protection Agency, over laws regarding air quality.

In contrast to the protagonist and his agents, there are heroes. John Bellinger, a senior lawyer on the National Security Council and then at the State Department under Condoleezza Rice, fought for the interests of Congress and international law. For that, he was beleaguered by Addington and frozen out of the conspiracy to create the legal rationalization for the domestic electronic eavesdropping program. He has nonetheless stayed in the game for the last seven years, trying to bring about a return to Geneva-like standards and end the administration's extralegal detainee policies.

debilitated in a hospital bed, to sign his approval for Bush's domestic surveillance program. Matthew Waxman, a young attorney who worked for the National Security Council and Defense and State Departments, tenaciously tried to prevent the administration from abandoning the principles of the Geneva conventions. Philip Zelikow, former executive director of the 9/11 Commission and Condoleezza Rice's counselor, also subjected himself to the furies of Cheney, Addington, and Donald Rumsfeld by trying to terminate secret prisons, stop torture, and expedite the closing of Guantanamo. Zelikow, Bellinger, and Waxman all had their work sabotaged or undermined by Addington.

But Cheney's maneuvers, his angling inside the wide berth that Bush gave him, eventually created so much blowback from colleagues inside the administration and Congress that his office began to slide off its rails. Gellman relates a telling incident involving this

very tactic his team had so often used against their rivals.

Cheney was also frustrated on the Iran front, increasingly convinced that his team was losing in the interagency process to State Department officials R. Nicholas Burns, Condoleezza Rice, and Defense Secretary Gates. He felt his hawkish, more militarily focused strategy was being undermined by advocates of diplomacy. In a *Salon* article on Sept. 19, 2007, "Why Bush Won't Attack Iran," I disclosed that a senior member of Cheney's team had said that the vice president was considering ways to "tie the president's hands" and outflank those delaying a confrontation with Tehran—a policy that Cheney felt amounted to appeasement. Clearly, the Angler's influence was declining. Some sources suggest that Cheney still wields great power and has of late been winning his battles again against Rice, Bellinger, Gates, and others. But he is certainly a long way from his halcyon first years in office, when he had virtually nothing stopping him.

There is another recent book on the mechanics of the Bush White House, *State of Denial* by veteran *Post* correspondent Bob Woodward, the third in a series of four. Woodward, in contrast to Gellman, hardly deals with Cheney, writing him off as an irrelevant sideshow whose personal interests and passions were often swept aside by Bush. But as Gellman shows so clearly, Cheney, Addington, and others operated with great success in the shadows of government. They despised media and public attention. In the last seven years, they have been the toughest circle of power players in Washington to penetrate, to report on, and to comprehend. Gellman went where Woodward was unable or uninterested in going—and thanks to that, we have an indispensable volume without which the Bush presidency can't be understood. ■

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I ASKED CHENEY ABOUT THE **POSSIBLE CHANGE TOWARD NORTH KOREA.** THE QUESTION WAS SIMPLE, BUT **CHENEY FROZE, STARING AT ME FOR AN** **AWKWARDLY LONG TIME.** HE REFUSED TO ANSWER.

Justice Department Office of Legal Counsel's Jack Goldsmith emerges as another virtuous figure. He succeeded John Yoo, whose legal opinions on torture, domestic spying, and the unitary executive, crafted by Addington and others, became the official line for all parts of the Bush administration. Goldsmith found himself in a cesspool of the most outrageous and poorly constructed legal excuses for Cheney's projects. He became one of the first internal Bush administration officials to place successful constraints on the VP's actions. Others were also willing to stand up to the Cheney gang. Deputy Attorney General James Comey prevented White House Legal Counsel Alberto Gonzales and Chief of Staff Andy Card from persuading Attorney General John Ashcroft, drugged-up and

reviewer and the vice president on the subject of North Korea, when it appeared that Cheney was unaware of President Bush's intention to ask Congress to remove North Korea from the terrorist watch list. (I was not the source of this information: the *New York Times* reported the encounter between Cheney and me on its front page.) At an off-the-record forum, I asked Cheney about the possible change toward North Korea. The question was simple, but Cheney froze, staring at me for an awkwardly long time. He refused to answer, then left the stage. Gellman suggests that Cheney, who for years had been wired into every key national-security decision and able to paralyze nearly all policies with which he disagreed, had been left out—"not read in," according to the lingo—of the policy-making process, the

[*The Same Man: George Orwell and Evelyn Waugh in Love and War*, David Lebedoff, Random House, 264 pages]

Men at Arms

By R.J. Stove

IT IS AN OBVIOUS IDEA to treat in parallel England's two best prose writers born during the 20th century. Nevertheless, maybe because the idea is so obvious, it has never been attempted until now. (The British journalist, publisher, and parliamentarian Christopher Hollis, who went to university with Waugh, having been to school with Orwell, came close by producing separate volumes about each man.) David Lebedoff, whose earlier books include a study of the *Exxon Valdez* case, has several qualifications for the task: evident valor, a comprehensive knowledge of both his protagonists, and an impatience with cant. The result is unfailingly readable and, in its terseness—hardly more than 220 generously spaced pages—a welcome change from the efforts of such laundry-list biographers as Robert Caro and Michael Holroyd, who mistake for psychological insight the Stakhanovite assemblage of irrelevant gossip.

Both Orwell and Waugh were born in 1903. Although they corresponded quite prolifically from 1945 onward, when Orwell sent Waugh a copy of *Animal Farm*, they met only once. In 1949, Waugh visited Orwell on the latter's deathbed. (It is depressing to think that the drug streptomycin, which could have relieved if not wholly cured Orwell's tuberculosis, had yet to be permitted in England despite already being available in the United States.) No one knows what words passed between the two men—some imaginative dramatist should attempt a one-act play on the subject—but Waugh did later tell Malcolm Muggeridge that he believed Orwell to be “very close to God.” A mysterious phrase, one that Waugh scorned to clarify. Did he mean that he consid-

ered the pagan Orwell surreptitiously pious or simply that Orwell would soon be meeting his Maker? Whatever the truth, Waugh regarded Orwell with a respect that he seldom felt toward other literary figures of his time, calling *Animal Farm* “your ingenious and delightful allegory,” and reviewing with pleasure Orwell's 1946 essay collection, which he called “a work of absorbing interest.” Waugh's review contains the best description ever penned of Orwell's great strengths and chief weakness. Unfortunately, Lebedoff fails to cite more than a few lines from the relevant passage. Here is a longer extract:

He [Orwell] has an unusually high moral sense and respect for justice and truth, but he seems never to have been touched at any point by a conception of religious thought and life. He allows himself, for instance, to use the very silly expression: ‘Men are only as good’ (morally) ‘as their technical development allows them to be.’ He frequently brings his argument to the point when having, with great acuteness, seen the falsity and internal contradiction of the humanist view of life, there seems no alternative but the acceptance of a revealed religion, and then stops short. This is particularly true of his criticism of M. [Salvador] Dali, where he presents the problem of a genuine artist genuinely willing to do evil and leaves it unexplained ...

Lebedoff salutes Orwell's nonfiction at its finest, correctly commenting that if Orwell had written nothing except “Politics and the English Language”—that luminous creative-writing course crammed into two-dozen pages—“then his name would still be revered today.” Orwell confessed that “I am not a natural novelist,” but if ever anyone in the last hundred years wrote like a natural essayist, it was Orwell.

The odious campaign by British firms to ensure that *Animal Farm* would never see print—Orwell at one stage

seriously considered self-publishing—is by now famous. Still, Lebedoff recounts the story with flair, devoting particular and understandable attention to the sinister role played by Peter Smollett, a Ministry of Information official who, without arousing any suspicions at the time, worked as a Soviet agent. Some excuses might perhaps be made for Victor Gollancz's rejection of Orwell's manuscript, since Gollancz was a seething neurotic who, despite his protestations, had been reliably pro-Stalin ever since the Spanish Reds gained power. Harder, in fact impossible, to forgive is the rejection letter from Faber & Faber's spokesman, none other than T.S. Eliot. This message contained the treasurable aperçu that *Animal Farm*'s pigs “are far more intelligent than the other animals, and therefore the best qualified to run the farm.” Nor were New York publishers, even genuinely freedom-loving ones, much more sagacious: Dial Press insisted “it was impossible to sell animal stories in the U.S.A.” Eventually, Secker & Warburg took the manuscript, and made a fortune from it, acquiring the rights to 1984 as well.

It is a shame that Lebedoff, detailed and shrewd on Orwell's bruising experiences of Stalinism rampant, does not give more information on Waugh's. The Churchill-Roosevelt betrayal of Yugoslavia's General Mihajlovic to Marshal Tito and suchlike Marxian thugs—chalk up another ethical triumph for that “Anglosphere” beloved of provincial daydreamers—drew from Waugh punchy, Orwell-like prose. His 1952 lament over Tito's British sycophants is a good example:

Politicians cannot be squeamish about their business associates. We do not look to them for an example of fastidious moral rectitude. All we ask is commonsense experience of the world. Do they really suppose that Tito, who has betrayed in turn emperor, king, friends, and finally his one consistent loyalty to Stalin, will prove a trustworthy friend to

them? Apparently, in their naïve vanity, they do. ... Tito is seeking to extirpate Christianity in Yugoslavia. Make no mistake about it. He is not squabbling with the Vatican about rights and privileges. Orthodox as well as Catholics are doomed if his rule continues. ... [Anthony] Eden would not invite the country to feast and flatter a notorious Jew-baiter. Only when Christianity is at stake do our leaders show bland indifference.

Such moral authority as Waugh displayed against Soviet-inspired terror would have seemed incredible to anyone who knew him before *Decline and Fall* made him illustrious. Lebedoff confirms how downright horrible Waugh had been as schoolboy and Oxford undergraduate: a sadistic drunkard, lurching from one homosexual affair to the next, whose idea of refined joking was to accuse his tutor of bestiality. As Waugh himself admitted, his religious conversion saved him from this spiritual squalor. He once remarked, beholding Dylan Thomas's dipsomaniacal buffoonery, that Thomas had become "exactly what I would have been if I were not a Catholic." Waugh's faith gave him what he hailed in the Minnesota short-story writer J.F. Powers: "a full philosophy with which to oppose the follies of his age and nation."

Orwell made his first allegiance not Christianity, but stoicism. To what extent this derived from boyhood necessity remains unclear. Lebedoff's willingness to accept as gospel truth Orwell's lurid account of his schooldays is a little surprising, given how much doubt other researchers—notably Peter Stansky and William Abrahams in *The Unknown Orwell*—have cast upon the veracity of Orwell's recollections. (While no one suggests that Orwell deliberately misled readers, he elsewhere showed a capacity for self-deception: in romanticizing Spain's anarchists and Trotskyites, for instance, he never expressed regret at their persecution of Catholics.) Against that, full marks to Lebedoff for justly

interpreting Orwell's much censured decision to spend five years after school laboring for the British police in Burma. The standard critical line is that Orwell—who then still used his original name, Eric Blair—was "comically and tragically unsuited" (his own words) for police work. But what better path could he have taken from an artistic standpoint? University would have been a time-waster for one already as well educated as Orwell, even if we assume that he would have resisted extracurricular collegiate temptations more than Waugh did. Besides, as Lebedoff points out:

He had spent five lonely years with his books and his thoughts. Many who leave their mark in life have reached their path through isolation. Blair had been cut off from everything he knew, and so he came to know himself. He had begun to think. From his imperial cocoon came transformation. The policeman became a writer.

It is a pity that Lebedoff says so little about Orwell's prewar novels, among which *Coming Up For Air* discloses with particular effectiveness the clash between Orwell's Tory-agrarian temperament and his socialistic convictions. A threnody for rural life before 1914, the novel also contains a lethally accurate portrayal of the "professional anti-Fascist" demagogue, the 1930s forebear to Christopher Hitchens:

If you cut him open all you'd find inside would be Democracy-Fascism-Democracy. Interesting to know a chap like that in private life. But does he have a private life? Or does he only go round from platform to platform, working up hatred? Perhaps even his dreams are slogans. ... It was a voice that sounded as if it could go on for a fortnight without stopping. It's a ghastly thing, really, to have a sort of human barrel-organ shooting propaganda at you by the hour. The same thing over and over again. Hate, hate, hate. Let's all get together and

have a good hate. Over and over. It gives you the feeling that something has got inside your skull and is hammering down on your brain. ... What he's saying is merely that Hitler's after us and we must all get together and have a good hate. Doesn't go into details. Leaves it all respectable. But what he's *seeing* is something quite different. It's a picture of himself smashing people's faces in with a spanner. ... And it's all O.K. because the smashed faces belong to Fascists.

Waugh could scarcely have put it better, or even very differently.

Orwell never lost a deep aversion to Rome—one of his very last writings contained the assertion that "one cannot really be Catholic and grown-up"—but in his final years he was clearly moving toward theism. In an atavistic gesture, he insisted that his funeral be held according to Anglican rites. Noting in 1946 the incongruous inclusion of neo-Gothic churches amid an otherwise wholly secularist postwar plan for British rehousing, he wrote, "A question ... seldom asked by anybody, is why we are on earth at all, and, leading out of this, what kind of lives we want to live. Yet till we have an answer to this question we shall never solve our housing problem and are merely making it rather more likely that the atom bombs will solve it for us." Orwell's detestation of contraception brought him still closer to the Waugh camp, as did the esteem that both men shared for physical courage, something so lacking in W.H. Auden, Stephen Spender, and the rest of what Roy Campbell dubbed "the chair-borne shock-troopers of the knife-and-fork brigade."

All of which makes Lebedoff's mischievous title intelligible. The same man? Up to a point, Lord Copper. But fellow combatants against what Waugh called "the Modern Age in arms?" Undeniably. ■

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[*Stuff White People Like: A Definitive Guide to the Unique Taste of Millions*, Christian Lander, Random House, 216 pages]

Getting It White

By John Derbyshire

OUR BRAINS PROCESS information coming from our senses. Since we are social animals, a great deal of the processing concerns social information—data about the members of the various groups we belong to, and about our own place in those groups. There is no consensus among neuroscientists about the way this is done, but a number of distinct systems—“modules,” in the jargon—seem to be involved. In *No Two Alike*, her 2006 book on “human nature and human individuality,” Judith Rich Harris suggests a three-system schema, with a relationship module managing one-on-one attachments, a socialization module for group membership and awareness, and a status module to monitor who’s up and who’s down.

Whether this is a full and correct account of our social nature, I’m not qualified to judge, but that every human brain contains a status module like the one Harris describes can hardly be doubted. We all devote considerable mental energy to assessing where we stand in this group or that, calculating who’s a rival and who an ally, trying to improve our own position, fretting over loss of status, and managing status-related emotions such as envy, contempt, triumph, embarrassment, ambition, and humiliation. Books and magazines offer a steady stream of advice, and advertisers tease and prod our status modules like the trainers of performing seals, trying to nudge us toward invidious consumption.

And then, once in a while, irony kicks in. We turn to look at our status striving and mock ourselves. It’s not that we have any intention of quitting the game. To the contrary, our self-

mockery is at once incorporated into the status-computing algorithms so that group members who are slow to get the joke lose status thereby. Probably that’s the point. Wisdom is prized in every human group, and self-awareness is a species of wisdom, if only a minor one.

British author Stephen Potter pioneered this genre of what we might call “status irony” with his 1952 book *One-upmanship*. Now comes Christian Lander with *Stuff White People Like*, a compilation of 150 one-page summaries of today’s status markers, written in a tone of gentle derision. Lander tries for the status-irony equivalent of a somersault with tuck, encompassing irony itself in his performance: “Irony” is #50 on his list.

I can’t be the first to note something wrong with the book’s title. Status striving operates within some well-defined group. What’s the group here? Certainly it is not white people at large. Most of us couldn’t care less about natural medicine (#59), Tibet (#124), Noam Chomsky (#98), Rugby football (#93), or film festivals (#3) ... while, come to think of it, there is at least a scattering of un-white people who could. I’ve been white for as long as I can remember, and I’ve never even heard of some of these items. Who or what is Mos Def (#69), LEED certification (#134), David Sedaris (#25)? Don’t ask me. So who are these “white people”?

My first guess was that to the degree there is anything racially distinctive about the sensibility on display in Lander’s book, it is Jewish: the reflexive leftism, the food faddishness, the moralizing, and yes, at #103, “Self-Deprecating Humor.” Accompanying #64 (“Recycling”) there is a picture of Lander wearing a Community Hebrew Academy of Toronto T-shirt. He tells us he’s not Jewish, though, and that first name seems indubitably corroborative.

Stuff White People Like is Jewish only in the sense, described by Yuri Slezkine in *The Jewish Century*, that we have all become a bit Jewish in the last 50 years. As Slezkine noted, quoting historian

Joseph R. Levenson, “A Jewish style of life ... may be more endangered when everyone eats bagels than when Jews eat hot cross buns.” Lander’s white people would, I am sure, want their bagels to be organically produced, but they wouldn’t be seen dead eating a hot cross bun (#2, “Religions Their Parents Don’t Belong To”).

The white people here are in fact just thirtyish grad school liberal-arts alumni, a young subset of the “bourgeois bohemians” whom David Brooks described in his 2000 pop-sociology book *Bobos in Paradise*. A pretty good way to get a fix on any group is to look at how its members make their livings. As part of #47, “Liberal Arts Degrees,” Lander lists eight careers: “Writer,” “Artist/Photographer,” “[movie] Director,” “Organic Restaurant Owner,” “Bike Mechanic,” “Nonprofit CEO,” “Professor,” and “Brand /media consultant.”

The common denominator is that these are all perfectly useless occupations, the career equivalents of conspicuous consumption. The white-people group apparently does not include civil engineers, software entrepreneurs, plumbers, farmers, the military, or the police. In fact, it hardly includes anyone without a liberal arts degree. From that same #47:

But what about the white people who study Science, Engineering, and Business? Unless they become doctors, they essentially lose white-person status (which can be regained only by working at a non-profit).

Lander himself was an English major at McGill who then studied communications at graduate school. Here, however, as with all the material in *Stuff White People Like*, you need to keep your irony detector switched on. There are hints throughout the book that those careers are not so much actual as oneiric, or at best aspirational. Most of the white people Lander is talking about are worker bees in corporate offices. From #143, “Bakeries”: “The bakery also inspires hope in white people. Many of

them dream of quitting their 9 to 5 job and opening a small bakery..."

Stuff White People Like is in fact a work of autobiography. Lander has done a clever thing: he has made a bundle of money by writing about his own tastes. The book's true title is: *Stuff Christian Lander Likes*. Our author has admitted as much in some of the innumerable interviews he's done. This from Alex Leavitt's website:

Q: How much of [the StuffWhitePeopleLike.com web site, from which the book is taken] describes the generic white person, and how much describes you yourself?

A: Almost all of the website describes me. It's hard to fix on how pretentious I really am ...

The thing wouldn't work, of course, if there were not millions of people who like the same things Christian Lander likes and were willing to laugh at themselves. While laughing, they will quietly be checking their tastes against the zeitgeist, to update their inventory of bobo status markers. Behind the laughter, in other words, if you listen closely, will be the sound of garbage-can lids closing over Asics sneakers, Pitchfork CDs, bottles of Mateus wine or Evian water, baggy T-shirts, plastic shopping bags, and DVDs *not* from the Criterion Collection. If caught in possession of one of these sumptuary stinkers, a white person's only hope is to claim to be acting ironically, but this calls for expert-level status-management skills.

The original *Stuff White People Like* website has generated many spin-offs. Some quick googling turns up a feeble *Stuff Black People Like* (Their Momma, Big Butts, Being Good At Sports), a slightly better *Stuff Educated Black People Like* (Moving to Atlanta, Deck Shoes, Correcting Others), a far better *Stuff Asian People Like* (Cutting In Line, False Humility, Not Wearing Shoes Indoors), Christian Lander's declared favorite *White Stuff People Like* (flour, sugar, drywall), and

a host of others of various quality and irony.

Given the audacity of this book's title, it's hard not to wonder if it is a harbinger of anything, a pointer to the future direction of racial attitudes. Objections to the *Stuff White People Like* concept as racist are hopelessly wide of the mark, as witness #7, "Diversity," #8, "Barack Obama," and #14, "Having Black Friends." Lander's white people are liberal to a fault (#118, "The ACLU"). None of them owns a copy of *Camp of the Saints* or a subscription to *American Renaissance*. Probably none of them even knows what the Confederate flag looks like.

The up-front positioning of items #7, #8, and #14 suggests, however, that there is something perfunctory about the racial liberalism of Lander's white people. These gestures aside—and Obama is the grandest gesture of all—the impression one gets is that on the whole, Lander's white people are happy to live their lives as though black people—let alone Hispanics, whose lone representative in these pages is #113, "Che Guevara"—did not exist. From #7, "Diversity":

Many white people from Los Angeles, San Francisco, and New York will spend hours talking about how great it is that they can get sushi and tacos on the same street. But they will also send their kids to private school with other rich white kids so that they can avoid the 'low test scores' that come with educational diversity. It's important to note that white people do not like to be called out on this fact. It will make them feel even more guilty than they already do.

Can such things be said out loud? Apparently now they can, so long as they are seasoned with enough self-mocking irony.

A more interesting question is: are we looking here at the first stirrings of white tribalism? Social change often begins in the unlikeliest places. Perhaps *Stuff White People Like* is one

more melancholy milestone on the downhill road from the hopes for integration and racial harmony that were nursed by the generation of Lander's parents to the cold racial realism of 2042, when, according to the most recent report from the Census Bureau, white people will become a minority in the United States—just about the time that Lander's children's generation take power.

His white people are unhappily intermediate, raised among their parents' hopes, yet staring at a world in which those hopes have turned to dust. They can see the utter failure of racial integration—how could they not? Last week my son's football team played Commack; in two weeks' time they play Wyandanch. According to GreatSchools.com, the racial spread of Commack High School, in percentages white-Asian-Hispanic-black, is 86-9-4-1, while Wyandanch Memorial High School's is 0-0-18-82. Integration? Fuhgeddaboutit. The tension between dead hope and unwelcome reality is acute, resolvable only, as is always the case with such psychic stresses, by doublethink. Vote for Barack Obama (#8), but move to Portland, Oregon (#111), "Statistically ... the whitest metropolis in the United States."

Stuff White People Like is a light and frivolous book, as of course it is intended to be. It gives the reader's status module a good workout. While doing so, however, our socialization modules ("Most of the work done by this system is not available to the conscious mind," writes Harris) continue their slow, world-changing transformation. Christian Lander's mild-mannered, trend-hugging, conflict-averse (#128, "Avoiding Confrontation"), ironic leftists will spawn a generation of frank white nationalists, and they will feel unironically terrible about having done so. ■

John Derbyshire is a contributing editor of *National Review* and the author of, most recently, *Unknown Quantity: A Real and Imaginary History of Algebra*.

Consort of the Onion Queen

I am the First Man of Elba, New York, Onion Capital of the World, or so we claim, and who, really, is going to call us on it? The czarina, or technically town supervisor,

of Elba, which borders my native Batavia, is my wife Lucine, whom I believe to be, since the retirement of Gov. George Deukmejian, the highest ranking Armenian-American elected official in America. Or at least she will be until the voters of California elect Cher to the U.S. Senate.

This is one of the first things you learn upon marrying an Armenian: the list. "Famous Armenians" isn't like drawing up a catalogue of "Famous Irish-Americans" or "Famous Jewish-Americans." You're not picking and choosing, selecting Pat Moynihan and Hank Greenberg but leaving John O'Hara and Neil Diamond for the next draft. "Famous Armenians" begins with the sad sentimental poet of Fresno, William Saroyan, and goes on to include the guy who played Mannix (Krikor Ohanian, aka Mike Connors), Cher Sarkisian, Dr. Jack Kevorkian, mogul Kirk Kerkorian, Andre Agassi, and, for baseball fans, Steve Bedrosian. Well, diasporans, add to your list Lucine Andonian Kauffman, town supervisor of Elba, New York, El Dorado of the mucklands.

She was appointed to fill the uncompleted term of her retired predecessor, but when Lucine had to run her first race, I took on the job of campaign manager, a post for which I had prepared a lifetime. Rudy can't fail, as they say, especially when the candidate is unopposed. Still, in order to minimize our vote, I had printed bumper stickers depicting onions against the colors of the Armenian flag and bearing the motto, "Ayo Gernank!" Antonio Villaraigosa

had recently run for mayor of Los Angeles boasting "Si, se puede," or "Yes, we can," so I asked my California father-in-law how to say that in Armenian. We lost the Turk vote, but principle has its price.

My role model as first spouse has been Pat Nixon, not Hillary Clinton, especially if the phone rings at 3 a.m. because a road hasn't been plowed. I declined to adopt a social cause, disease, or a Just Say No campaign of my own, though one friend, mindful of his own affliction, urged the distribution of brown bracelets as part of an IBS awareness campaign. Opting, for once, for good taste, I just said no.

MY ROLE MODEL AS FIRST SPOUSE HAS BEEN PAT NIXON, NOT HILLARY CLINTON.

Lucine has largely and astutely ignored my advice on political matters. I wanted her to be the first elected Republican official in America to come out for Bush's impeachment, but she has instead promoted local agriculture and business and tried to ensure that revenues equal expenditures. Given the Palin precedent, I'm touting my wife for vice president in 2012. She spent a hell of a lot less on the new salt storage shed than Sarah P. did on the Wasilla ice rink.

The Republicans are indulgent of Lucine's non-Republican husband, but then in a healthy society politics plays so small a role in our lives that who really gives a damn how others vote? Cold ideologies melt in the warmth of daily communal life. I think of the local civic organizations in which, say, Assembly of

God churchgoers and gays work side by side in the cheerful labor of neighbors. They can be friends because they are, to each other, rounded and fully dimensional. They are people, not cartoons. This is nigh impossible in larger places, where such disparate folk would never meet and would exist to each other only on the flat screen of the TV set. Instead of Kate and Dave they would be "Religious Nut!" and "Fag!" How dreary. How lifeless. How very Red and Blue.

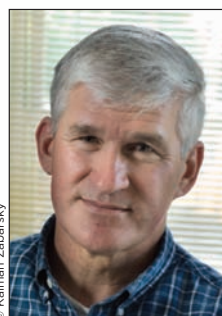
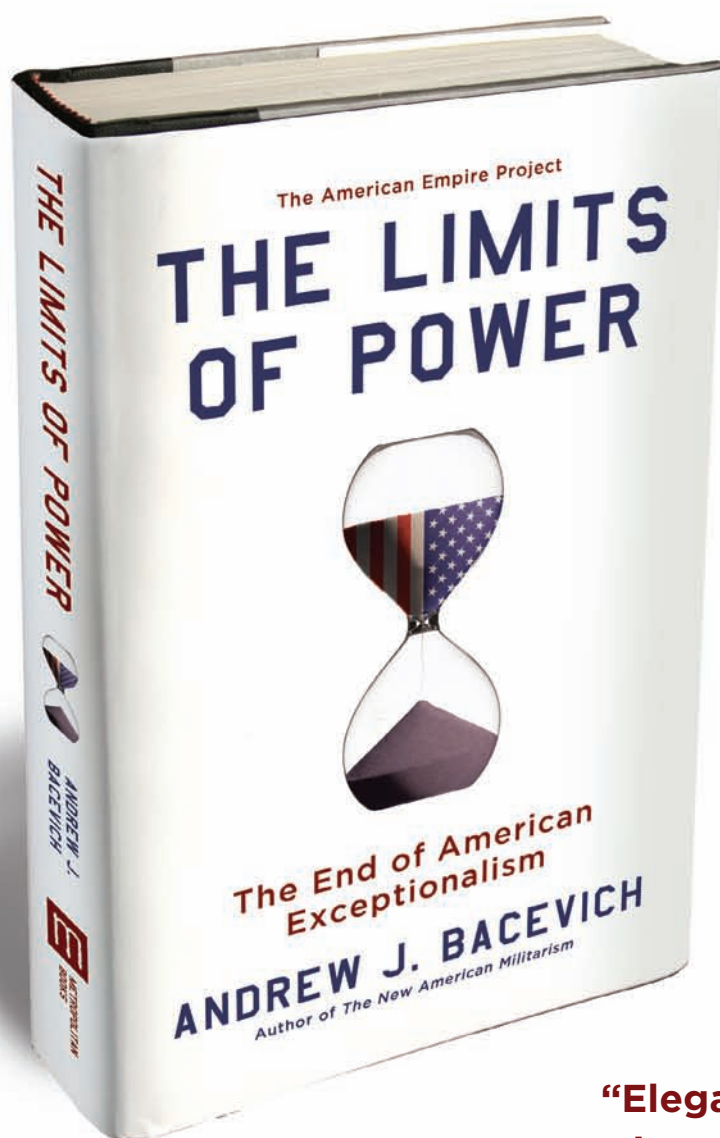
Elected officials are encouraged to stick campaign signs in their front yards, and we have reached an accommodation. We always put signs up for friends who are running. For higher (which is to say lower) office, we agree to one apiece: this year she chose the Republican state senate candidate and I stake

my frame for the only old-fashioned patriot on the New York presidential ballot, Ralph Nader. The last Democrat sign I put up was for a Muckdogs booster who was on a mission perdu: running as a (D) for coroner in our lopsidedly (R) county. I proposed a desperate campaign promise—"No premature burials!"—but though she ran a fine race, her candidacy was DOA.

Given that the Republicans cede New York's carpetbag U.S. Senate seat to Hillary Clinton, a friend has urged me to start the rumor that Lucine is "exploring" a run as an antiwar, pro-organic farming, pro-Bill of Rights Republican against the militaristic liberty-shredding Democratic schoolmarm. Maybe Cher would do a benefit concert? Ayo Gernank, baby. ■

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